
2013 Action Plan

for

CDBG, HOME, ESG, HOPWA

Massachusetts



COMMONWEALTH OF MASSACHUSETTS

Deval L. Patrick, Governor

Department of Housing and Community Development

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EXECUTIVE SUMMARY

2013 Action Plan Overview

The 2010 – 2014 Consolidated Plan (“the five year plan”), submitted to U.S. Department of Housing and Urban Development (HUD) in May 2010, identifies the housing and community development needs of Massachusetts and provides the framework for how Massachusetts intends to address and prioritize those needs over the next five years. The five year plan and the 2013 Action Plan pertain to the activities of the following programs:

- Community Development Block Grant Program (CDBG)
- HOME Investment Partnerships Program (HOME)
- Housing Opportunities for Persons with AIDS (HOPWA)
- Emergency Solutions Grant (ESG)

The 2013 Action Plan is the one-year implementation plan for federal fiscal year 2013 and the program year that begins on April 1, 2013. It outlines the specific activities and goals for how the programs listed above will address the prioritized needs identified in the five year plan, as well as the method of distribution of funds for each of the four programs. It partially fulfills the requirements of Section 91.320 of the Consolidated Plan regulations. *The bulk of the requirements of Section 91.320, however – available resources and program specific requirements – are found in Tables 4 and 5 and **Appendix B** (Program Specific Requirements, including the Massachusetts FY 2013 CDBG Action Plan in its entirety).* State required certifications are located in **Appendix D**.

In Massachusetts, the Department of Housing and Community Development, within the Executive Office of Housing and Economic Development, administers the CDBG, HOME, and ESG programs and is the lead agency in the preparation and submission of the HUD Plans for all programs covered by the Consolidated Plan. The Massachusetts Department of Public Health, under the Executive Office of Health and Human Services, administers and monitors the HOPWA program.

Guiding Principles and Objectives

Six objectives were established in the 2010-2014 Consolidated Plan.* These objectives support the Commonwealth’s overarching goal for all its housing and community development efforts: to provide broad economic opportunity and a high quality of life for all Massachusetts residents. They also support HUD’s complementary goals of providing decent housing, a suitable living environment and expanded economic opportunities. The six objectives of the 2010-2014 Massachusetts plan are:

1. Promote *strong communities* throughout the Commonwealth.
2. Preserve and create *affordable rental housing options* for low and moderate income residents.
- 3a. *Reduce* chronic and family *homelessness through a housing-based approach*, with a long-term goal of ending homelessness.
- 3b. Help low-income households develop *economic self-sufficiency*.
4. Ensure *full and fair access to housing* for all residents of the Commonwealth.
5. Promote *sustainable homeownership* opportunities for low, moderate and middle income families.
6. Ensure MA residents with disabilities have access to *affordable, accessible community housing options* that support *consumer choice* and access to mainstream resources, including employment and long term supports as needed.

In its execution of the plan, DHCD and its partner agencies will be guided by the following fundamental principles:

- Build upon the existing assets of the state's diverse regions;
- Promote sustainable development;
- Improve the capacity of community based organizations and local government;
- Remove barriers to affordable housing development; and,
- Forge partnerships with municipalities and regional institutions.

* <http://www.mass.gov/hed/docs/dhcd/cd/planpolicy/consolidated/2010conplan.pdf>

FY 2013 Annual Action Plan Funding

Table 1 shows the funding the Commonwealth expects to receive for federal fiscal year 2013 from the U.S. Department of Housing and Urban Development. The use of funds from these four sources contributes to a coordinated and comprehensive state response to the listed goals.

Table 1: FY 2013 Consolidated Plan Federal Funding		
Program	Lead Agency	Allocation
CDBG	DHCD	\$ 29,397,541
HOME	DHCD	\$ 6,602,985
ESG	DHCD	\$ 3,482,500
HOPWA	DPH (within EOHHS)	\$ 188,819
TOTAL		\$ 39,671,845

Evaluation of Past Performance

This Annual Action Plan represents the fourth year of implementation of the objectives set forth in the 2010-2014 Consolidated Plan. Ninety days after the close of the state's HUD program year (April 1 through March 31), the Commonwealth submits the annual Performance Evaluation Reports (PER) for the programs covered by the Consolidated Plan; the PERs for 2012 are due June 30, 2013.

Public Participation

Appendix A presents a detailed record of the public hearing, as well as a summary of comments from that hearing. DHCD held a month-long comment period, posted the Draft Plan online at DHCD's website, and made printed copies available. The most recent Consolidated Plan (2010-2014) was also available on DHCD's website. There was one public hearing that was publicized through website postings and email notification to a wide network of housing and community development providers, municipalities, elected officials, and other interested parties throughout the Commonwealth. Responders could comment via e-mail, by post, or in person.

Summary of One Year Action Plan and Five Year Goals for Consolidated Plan

The state's one-year Action Plan and Five-Year Goals are presented in **Table 2**. It includes only the programs that are funded by the four covered HUD grants and presents the number of households or individuals, or other measurable variables, to be assisted with the amount expected to be available during FY 2013. An estimate of the level of assistance projected for the full five years covered by the Consolidated Plan is also included. (Resources are listed more than once if they are being used to meet more than one objective, e.g. CDBG).

Because of the significant cuts to the FY2012 and FY2013 budgets for the CDBG and HOME programs, the goals that were laid out in the 2010-2014 Consolidated Plan have been adjusted to reflect the decreased available funding. Also, the ESG program continues to undergo review and revision to accommodate the requirements of the HEARTH Act.

The Commonwealth's 2010-2014 HUD Consolidated Plan provides a complete description and discussion of the rationale for determining the goals and objectives for the five years covered by the plan. The Consolidated Plan is available at: <http://www.mass.gov/hed/docs/dhcd/cd/planpolicy/consolidated/2010conplan.pdf>

Table 2: Five Year Objectives and FY2013 Funding Levels for All Covered Programs

		FY 2013			FY 2010 - 2014	
#	Objective/Consolidated Plan Resources	Funding Level	Activity Level	Target Population	Funding Level	Activity Level
1.	<i>Promote strong, sustainable communities throughout the commonwealth</i>					
	CDBG - CDF I and II	\$11,587,670		Min 51% Low Income	\$44,800,000	
	CDBG - Mini Entitlement	\$2,633,562		Min 51% Low Income	\$8,000,000	
	CDBG - Economic Development Fund	\$1,100,000 (including \$100,000 from program income)	n/a	Min. 51% Low Income	\$4,565,000	n/a
2.	<i>Preserve and create affordable rental housing options for low and moderate income residents</i>					
	HOME - MF Rental Housing	\$5,942,686	108	100% <60%, 20% VLI	\$43,900,000	1,082
3.	<i>Reduce chronic and family homelessness through a housing-based approach</i>					
	ESG (Balance of State)	\$2,825,000	1,230	Homeless Priority Pop.	\$12,900,000	30,000
	HUD Balance of State Continuum of Care	\$8,788,231	3,368	Homeless Priority Pop.	\$42,500,000	16,900
	HOME – Multi-Family Rental Housing Loans	<\$1,000,000	<20	Homeless families and individuals	<6,500,000	<130
4.	<i>Ensure full and fair access to housing for all residents</i>					
	<i>This objective is embedded within all of the Commonwealth's policies and initiatives.</i>					
5.	<i>Promote sustainable homeownership for low, moderate, and middle income families</i>					
	HOME - Homebuyer Assistance: Rehab/New Construction for FTHB	-0-	-0-	100% at/below 80% AMI	750,000	12
	HOME - Homebuyer Assistance: Down Payment & Closing Costs (HOME ADDI)	-0-	-0-	100% at/below 80% AMI	<\$200,000	10
	CDBG – CDF and Mini-Entitlement	\$12,114,383	510	Low/moderate Income	\$53,000,000	2,000
6.	<i>Ensure MA residents with disabilities have access to affordable, accessible community housing options that support consumer choice and access to mainstream resources, including employment and long-term supports, as needed.</i>					
	HOPWA	\$188,819	n/a	Home-based HIV service providers	\$975,000	n/a

2013 Objectives and Strategies

Objectives and Strategies from 2010-2014 Consolidated Plan

As outlined in the 2010-2014 Consolidated Plan, the key strategies through which the Commonwealth of Massachusetts intends to achieve its objectives include the following:

Objective #1: Promote strong, sustainable communities throughout the Commonwealth.

Strategies:

- Support Smart Growth/Transit-Oriented Development and encourage housing near jobs
- Provide comprehensive foreclosure prevention and mitigation assistance
- Support municipalities with planning (for sustainable economic/community development and land use decisions) and technical assistance
- Support local business development and retention strategies and leverage resources from the Executive Office of Housing and Economic Development to support this goal

Objective #2: Preserve and create affordable rental housing options for low and moderate income residents.

Strategies:

- Preserve the physical and financial viability of existing affordable housing (both publicly assisted and private)
- Maintain a system of public housing and rental assistance that serves those with extremely low incomes, including those with disabilities, the homeless and those at risk of homelessness
- Increase the supply of rental housing
- Aggressively implement the Massachusetts Lead Paint Law, targeting high risk communities
- Improve the energy efficiency of the existing inventory, both publicly assisted and privately owned

Objective #3a: Reduce chronic and family homelessness through a housing-based approach, with a long-term goal of ending homelessness.

Strategies:

- Implement HEARTH Act provisions to maximize DHCD's new Architecture for preventing homelessness and diverting households from emergency shelter with more appropriate housing options
- Provide housing first opportunities for homeless families and individuals
- Use new resources for rapid rehousing and shelter diversion activities
- Get chronically homeless people into permanent supportive housing as quickly as possible
- Develop a range of housing options and services for homeless families and individuals
- Continue to provide emergency shelters as a back-up for situations where a household cannot be prevented or diverted from becoming homeless
- Reconfigure existing shelter beds where possible toward permanent housing
- Improve access to and coordination across mainstream services and public benefit sources

In addition, DHCD intends to ensure that the strategies that preserve and expand the supply of affordable housing, and the programs that enable low income residents to pay for housing (e.g., rental assistance) also support the objective of reducing homelessness.

Objective #3b: Help low-income households develop economic self-sufficiency.

Strategies:

- Expand job readiness through asset development, personal financial education, etc.
- Invest in programs for low-skilled residents that build their market competitiveness
- Align state policies to facilitate asset building and economic mobility for lower income residents

Objective #4: Ensure full and fair access to housing for all residents of the Commonwealth.

This objective applies to all populations and all program areas, and the primary strategies reflect this:

- Embed fair housing principles and priorities throughout all programs
- Reduce barriers to affordability in all communities
- Vigorously enforce all fair housing laws
- Reduce barriers to accessibility

Objective #5: Promote sustainable homeownership opportunities for low, moderate and middle income families.

Strategies:

- Provide homebuyer counseling and education to prepare owners for a successful application and ownership experience
- Support a continuum of options for properties in foreclosure and owners at risk of foreclosure
- Facilitate the purchase (and rehabilitation) of existing units for resale to or re-occupancy by low and moderate income families
- Increase the supply of housing affordable to a range of incomes, particularly “workforce housing” serving moderate and middle income employees
- Increase the supply of affordable housing in areas of opportunity
- Provide technical assistance and incentives to build and expand the capacity of municipalities and developers, particularly non-profit developers, to increase and expand affordable housing options

Objective #6: Ensure MA residents with disabilities have access to affordable, accessible community housing options that support consumer choice and access to mainstream resources, including employment and long term supports as needed.

Strategies:

- Include community-based options for households with a disability in supportive housing and other subsidized developments
- Encourage sensitive rehab (i.e. rehab that includes increased accessibility) of disability units in expiring use redevelopment

Homelessness

Homeless Needs

As a result of the significant expansion of its emergency shelter system over the past two decades and its current focus on ending, rather than managing, homelessness, the Commonwealth's priority approaches to unmet homeless needs – for both families and individuals – are Prevention and Rapid Rehousing. DHCD currently provides 3,133 shelter beds for homeless individuals and approximately 3,300 emergency shelter placements units, including motels and hotels, for homeless families.

DHCD has identified the need for 3,100 units of permanent supportive housing for homeless individuals and units for approximately 11,052 persons in families with children. (HUD requires participating jurisdictions to estimate the number of *individuals*, including children, in need of supportive housing, rather than the number of *households*.) These numbers reflect DHCD's goal of gradually moving the emergency assistance system away from a shelter-based model and towards a permanent housing-based model. While the agency recognizes that, in the short term, homeless families and individuals will continue to use shelters and transitional housing, its end goal is a system where all households have accessed to permanent housing.

According to the most recent annual Point in Time Counts completed by the 19 Massachusetts Continuums of Care, there were approximately 3,883 family households sheltered in Massachusetts.

The "Housing and Homeless Needs Assessment" is included in the Consolidated Plan, along with a list of shelter facilities.

Table 3: (HUD Table 1): Homeless Needs Based on all 20 Massachusetts CoC's Homeless Point in Time Counts

Continuum of Care: Homeless Population and Sub-population Chart 2011					
	Sheltered		Safe	Unsheltered	Total
Part 1. Homeless Population	Emergency	Transitional	Havens		
# of Family Households with Child(ren)	3,267	616		4	3,887
1. # Persons in Families w/Children	9,533	1,669		10	11,212
2. # Unaccompanied Adults w/o Children	3,093	2,432		702	6,227
Add lines 1 & 2 for Total Persons	12,626	4,101		712	17,439
Part 2. Homeless Subpopulations	Sheltered		*Safe	Unsheltered	Total
	Chronically Homeless		Havens		
Chronically Homeless in Emergency Shelter or Unsheltered	1,168			332	1,500
Severely Mentally Ill	2,208			224	2,432
Chronic Substance Abuse	2,982			275	3,257
Veterans	1,126			55	1,181
Persons with HIV/AIDs	110			4	114
Victims of DV	1,346			18	1,364
Unaccompanied Youth Under 18	52			7	59

*Safe Haven programs are included in the Transitional Housing category

Source: 2011 State Continuum of Care Data. Note that these numbers only refer to shelter specifically set aside for homeless households.

Strategy

Beginning with the release of the Massachusetts Commission's Plan to End Homelessness in 2007, the Commonwealth has undertaken a number of initiatives to transform the homelessness system to focus more heavily on housing. Among other initiatives, this plan resulted in the reconstitution of the Commonwealth's Interagency Council on Housing and Homeless (ICHH) as a vehicle for coordinating agencies and organizations that deliver homeless and housing programs throughout Massachusetts. This was accomplished initially through the Regional Networks, which tested prevention, diversion, and rehousing strategies, in combination with federal Homelessness Prevention and Rapid Rehousing resources.

In July, 2009, the Patrick/Murray Administration transferred the emergency shelter program and services (EA) to the Department of Housing and Community Development (DHCD), from the Department of Transitional Assistance. This transfer reflected the emerging consensus that embedding homelessness services within a housing agency would facilitate prevention and re-housing for homeless and at-risk households. The ARRA Homelessness Prevention and Rapid Rehousing program supported this approach.

Even though DHCD funds emergency shelter capacity sufficient for over 2,000 homeless families, the current need exceeds the capacity. Approximately 1,200 homeless families are now temporarily sheltered in hotels and motels across the Commonwealth, using Emergency Assistance funding. The Patrick/Murray Administration is committed to moving the Commonwealth's response to homelessness from a shelter program to a housing program through a two-pronged effort: rapidly rehouse homeless families currently in shelters; and, implement prevention and diversion activities to reduce the need for shelter by providing suitable housing alternatives.

To accomplish this, the Administration has embarked upon a major reform of the Emergency Assistance system. The underlying design of the reform is based on the following principles:

- Continue to pursue the Administration's goals to advance *housing first*;
- Provide cost predictability and cost containment;
- Provide a responsible emergency shelter safety net;
- Expand prevention programs and ELI housing resources across DHCD by building out its existing infrastructure;
- Align with new federal housing strategies implemented through the HEARTH Act;
- Eliminate use of motels;
- Coordinate resources across DHCD Divisions; and
- Strengthen ICHH Regional Networks

In August 2012, DHCD began to implement the second phase of reforms to the Emergency Assistance (EA) system, in an effort to reduce the reliance on the shelter as a response to housing instability while maintaining a solid safety net. The response combined targeting shelter to those truly in emergency situations with an increase in funding for prevention (using the Residential Assistance for Families in Transition [RAFT] program) and permanent housing (through the Massachusetts Residential Voucher Program [MRVP]). For families not eligible for EA, RAFT offers up to \$4,000 in household financial assistance to help stabilize their current housing situation or look for other opportunities.

For state fiscal year 2013, the legislature also approved an increase in the MRVP appropriation, enabling DHCD to issue 700 new vouchers, which were initially targeted to families with a member who has a disability. Currently, DHCD is focusing on decreasing the number of homeless families in hotels and motels. The legislature also approved an \$8.5 million increase in the prevention RAFT program, which will help approximately 2,000 families avoid homelessness.

In addition to RAFT and MRVPs, DHCD has continued the HomeBASE Housing Assistance program, which offers up to \$4,000 to EA eligible families in order for them to avoid entering a shelter, or to help them exit the shelter system.

The Patrick-Murray administration requested an expansion of the Tenancy Preservation Program (TPP) for state FY 2013, which the legislature did not approve. The TPP works with tenants facing eviction as a result of behavior relating to a disability. In consultation with the Housing Court Department, TPP works with the property owner and tenant to determine whether the disability can be reasonably accommodated and the tenancy preserved.

As one aspect of its first-in-the-nation Social Innovation Financing Initiative, Massachusetts has opted to target chronically homeless individuals who are frequent users of services, often on an emergency basis. Under this demonstration program, homeless shelters will do proactive outreach to the target population, and work with them to place them in permanent housing with intensive case management to ensure that they get the services they need, thereby preventing hospitalizations or other medical emergencies. The goal of the Massachusetts program is to enroll from 500 to 800 individuals, or approximately 50% of the 1200 chronically homeless individuals that were identified in the 2012 Point in Time count. The demonstration program is an extension of the nationally recognized Home and Healthy for Good program, a "housing first" model that the Massachusetts Housing and Shelter Alliance has run the program with DHCD funding since 2006. The official launch of this pilot will be in early 2014. DHCD will be closely monitoring this pilot to determine the implications for providing outreach, triage, and assessment services to the broader chronically homeless individual population across the state.

The ICHH is the body that manages the cross-agency response to homelessness. It includes an Advisory Board and several subcommittees focusing on specific populations at high risk or becoming homeless, including youth, veterans, and inmates being released by the Department of Corrections. The Youth Working Group focuses on single, unaccompanied youth. In August, 2012, it released its report on the definitions relative to youth homelessness, including aging out of public assistance systems, and on the methodology for conducting a homeless youth census. In the state FY 21013 budget, the legislature established an Unaccompanied Homeless Youth Commission, which is scheduled to release its report in June, 2013.

The Massachusetts Plan to Prevent and End Homelessness Among Veterans

<http://www.mass.gov/governor/administration/lsgov/documents/plan-to-prevent-and-end-homelessness-among-veterans-final.pdf> seeks to ensure all Massachusetts veterans will have a stable place to call home. The objectives of the plan are to reduce the number of homeless veterans in the Commonwealth by 1,000 (based on the annual Point In Time count) by the end of 2015 and to statistically end veteran homelessness in Massachusetts. The annual Point In Time count measures the number of homeless persons in the U.S. on a single night in January 2012, including the number of homeless veterans. The objectives will be achieved by four primary goals: 1) Rehouse and stabilize veterans who become homeless by implementing a housing strategy; 2) Ensure veterans most at risk of homelessness remain housed to prevent homelessness; 3) Increase access to benefits and resources for veterans through greater intervention; and 4) Align and integrate federal, state, and community resources to support veterans through effective partnerships. Each goal, focused on housing, prevention, intervention, and partnerships, is supported by a detailed action plan to accomplish the goal over time.

More information on homelessness in Massachusetts and the Patrick Administration's efforts to eradicate it can be found in the 2010-2014 HUD Consolidated Plan; on the Massachusetts ICHH website, <http://www.mass.gov/governor/administration/lsgov/lgcommittee/housingcouncil> and, and on the DHCD Division of Housing Stabilization website <http://www.mass.gov/hed/economic/eohed/dhcd/housing-stabilization.html>.

Supportive Housing

DHCD has launched a new initiative to create 1,000 units of supportive housing for low-income households over the next three years and funded 140 units this year using project-based Massachusetts Rental Voucher Program (MRVP) assistance to non-profit developers of affordable housing. In addition, DHCD, will utilize HUD's Section 811 Project Rental Assistance Demonstration Program funding (PRA Demo) for 100 project-based vouchers for people with disabilities, many who are transitioning out of institutional settings or at extreme risk of homelessness.. The Supportive Housing Initiative involves an action plan signed by 18 different state agencies to coordinate both housing and supportive services to a range of populations, including families, seniors, people with disabilities, and youth.

Actions to Reduce the Number of Poverty-Level Families

DHCD employs a multi-faceted approach to reducing the number of families living in poverty. The first is providing affordable, stable housing for low-income families. For families leaving the shelter system with an MRVP, DHCD contracts for stabilization services. DHCD is a Moving to Work agency. Through MTW, DHCD has begun to pilot elements of self-sufficiency programs, and intends to expand those in the coming months. Finally, DHCD has begun a concerted effort to encourage the Community Action Agencies that receive Community Services Block Grant (CSBG) funds to offer financial self-sufficiency programs, including working with community colleges to ensure that participants in CSBG job training programs are prepared to take advantage of the training offered by the community colleges.

Fair Housing

The mission of DHCD through its programs and partnerships is to be a leader in creating housing choice and providing opportunities for inclusive patterns of housing occupancy to all residents of the Commonwealth, regardless of income, race, religious creed, color, national origin, sex, sexual orientation, gender identity, age, ancestry, familial status, veteran status, or physical or mental impairment.

Fair housing is embedded in all the state's housing programs and activities. Massachusetts' fair housing policy is expressed through its Fair Housing Mission Statement and Principles.¹ The Analysis of Impediments to Fair Housing Choice (AI), completed in 2007 is available at <http://www.mass.gov/hed/economic/eohed/dhcd/legal/fair-housing-and-civil-rights-information.html>. A Fair Housing Advisory Panel comprised of fair housing advocates, representatives of quasi-public state agencies, and state and local enforcement agencies, assisted with development of the AI and continues to provide input to DHCD.

DHCD is currently engaged in the AI update process and has reconvened its Fair Housing Advisory Panel, which includes fair housing advocates, federal (HUD), state, and local officials, for-profit and non-profit agencies, and other stakeholders, as part of this process. The update is currently anticipated for completion in 2013.

DHCD released its comprehensive Affirmative Fair Housing and Civil Rights Policy in 2009, available at: <http://www.mass.gov/hed/docs/dhcd/hd/fair/affirmativefairhousingp.pdf>. Full implementation of the policies is expected to take several years, but current initiatives and key objectives for the period covered by the 2010-2014 are described in the Consolidated Plan. The Fair Housing Mission Statement and Principles is in Exhibit 7 of the 2013 CDBG Annual Plan; an update on those initiatives can be found in Appendix C of this document.

Lead Based Paint

The Massachusetts Department of Public Health Childhood Lead Poisoning Prevention Program (MACLPPP) is the lead agency for educating the public about the risks of lead and for ensuring that affected children receive appropriate intervention. The program's actions closely follow or exceed requirements in the HUD Lead-Safe Rule.

During the period covered by this plan, the Commonwealth intends to continue its vigorous implementation of the Massachusetts Lead Law and the HUD Lead-Safe Rule, targeting high-risk communities. The Commonwealth's Lead Paint Abatement Program is described in detail in the 2010-2014 Consolidated Plan and on the DHCD website.

SOURCES OF FUNDS

Financial Resources Available for FY 2013

In addition to the approximately \$39.7 million that will flow to the state through the federal programs covered by this Annual Action Plan and the approximately \$324 million from other federal sources to support housing and community development activities, the Commonwealth expects to commit approximately \$350 million to support the types of activities outlined in this plan. **Table 4** identifies the DHCD administered funds from all

¹ <http://www.mass.gov/hed/docs/dhcd/hd/fair/03.pdf>.

state and federal sources for state FY 2013. Additionally, **Table 5** presents federal and state resources devoted to housing and community development in the Commonwealth, including from the quasi-public agencies -- MassHousing Finance Agency, CEDAC, Mass. Housing Partnership, and MassDevelopment.

In Table 4, the resources available to the three programs covered by this plan and managed by DHCD are highlighted. The amounts differ from the FY2013 awards because these program lines include funds carried over from the prior fiscal year that were still in the account at the beginning of the current (2013) fiscal year. HOPWA funds are not shown on this table, because that program is administered by the Massachusetts Department of Public Health.

Table 4: FY 2013 Funding from All State and Federal Sources

Funding Sources	State Operating	State Capital	Federal	ARRA	Trust	Total
ADMINISTRATION						
MAIN ADMINISTRATION - 70040099	7,370,138					7,370,138
INDIAN AFFAIRS - 70040001	106,715					106,715
Subtotal:	7,476,853	0	0	0	0	7,476,853
PUBLIC HOUSING & RENTAL ASSISTANCE						
AHVP (Alternative Housing Voucher Program) - 70049030	3,450,000					3,450,000
C.707 Rental Assistance (DMH & DPH) - 70049033	4,000,000					4,000,000
MRVP - 70049024	42,000,000					42,000,000
SEC 8 HOUSING CHOICE VOUCHER PROGRAM - 70049014			236,900,000			236,900,000
SEC 8 MODERATE REHABILITATION - 70049019			10,100,000			10,100,000
SEC 8 NEW CONSTRUCTION PROGRAM - 70049020			6,690,959			6,690,959
SEC 8 SUBSTANTIAL REHABILITATION - 70049009			9,622,242			9,622,242
SEC 8 ADMIN FEE HOUSING VOUCHER - 70042363					3,770,891	3,770,891
SEC 8 ADMIN FEE MODERATE REHAB - 70042364					403,814	403,814
SEC 8 ADMIN FEE NEW CONSTRUCTION - 70042365					1,063,504	1,063,504
SEC 8 ADMIN FEE SUBSTANTIAL REHAB - 70042361					1,284,408	1,284,408
TCAP & TCX ASSET MANAGEMENT FEE TRUST - 70042369					2,276,826	2,276,826
MOVING TO ECONOMIC OPPORTUNITY - 70040013					2,578,720	2,578,720
40B PROJECT ELIGIBILITY FEE INCOME EXPENDABLE TRUST - 7004-0016					21,760	21,760
SHELTER PLUS CARE LOWELL - 70049051			62,000			62,000
Resid. Asst for Families in Transition (RAFT) - 70049316	8,760,000					8,760,000
TENANCY PRESERVATION PROGRAM - 70043045	350,000					350,000
HOUSING SERVICES (HCEC'S) - 70043036	1,445,996					1,445,996
PUBLIC HOUSING MODERNIZATION/DEVELOPMENT- 70040033		90,000,000				90,000,000
PUBLIC HOUSING SUBSIDIES - 70049005	64,450,000					64,450,000
P. HSG. AFFORDABLE HOUSING TRUST FUND - 70049300		5,000,000			6,508,156	11,508,156
SERVICE COORDINATORS PROGRAM - 70044314	350,401					350,401
HPRP - ARRA 70043051				37,609		37,609
Subtotal:	124,806,397	95,000,000	263,375,201	37,609	17,908,079	501,127,286
HOUSING DEVELOPMENT						
Affordable Housing Trust Fund- 70049300		35,000,000				35,000,000
CAPITAL IMPROVEMENT & PRESERVATION TRUST FUND (CIPF) - 70040038		5,000,000				5,000,000
HOME - 70049028			20,474,853			20,474,853
HOME PARTNERSHIP TRUST - 70049026					2,872,770	2,872,770
HOME TECHNICAL ASSISTANCE - 70049039			101,762			101,762
HOUSING INNOVATIONS TRUST FUND - 70040036		10,000,000				10,000,000
FACILITIES CONSOLIDATION FUND (FCF) - 70040029		7,500,000				7,500,000
HOUSING STABILIZATION FUND - 70047014		16,000,000				16,000,000
LOW INCOME HOUSING TAX CREDIT - 70049315	2,535,003					2,535,003
COMMERCIAL AREA TRANSIT NODE HOUSING - 70040038		2,000,000				2,000,000

Table 4 (continued)

Funding Sources	State Operating	State Capital	Federal	ARRA	Trust	Total
MASS REHAB HOME MODIFICATION LOANS - 70040028		4,000,000				4,000,000
COMMUNITY BASED HOUSING INITIATIVE - 70040030		5,000,000				5,000,000
TECH ASST/EMPLOYER ASSISTED TRUST - 70040006					1,700,913	1,700,913
Subtotal:	2,535,003	84,500,000	20,576,615	-	4,573,683	112,185,301
COMMUNITY SERVICES						
COMMUNITY INVESTMENT GRANTS - 70042027	750,000					-
COMMUNITY SERVICE BLOCK GRANT/CSBG - 70042034			13,911,512			13,911,512
LOW INCOME HOME ENERGY ASST. (LIHEAP) - 70042033			150,536,084			150,536,084
SMALL CITIES (CDBG) - 70043037			100,940,380			100,940,380
SMALL CITIES BLOCK GRANT EDSA TRUST - 70043041						-
SMART GROWTH TRUST FUND - 7004-4500					5,035,440	5,035,440
URDG - 70049118		3,696,306				3,696,306
WEATHERIZATION - 70042030			3,500,000			3,500,000
ARRA - WEATHERIZATION - (DOE) - 70042031				1,365,273		1,365,273
ARRA - CDBG R - 70043041				500,000		500,000
NEIGH STABILZ PROGRAM (NSP1) 7004-3038			13,148,420			13,148,420
Subtotal:	750,000	3,696,306	282,036,396	1,865,273	5,035,440	292,633,415
HOUSING STABILIZATION						-
OPERATION OF HOMELESS PROGRAMS - 7004-0100	5,240,310					5,240,310
FAMILY SHELTERS - 7004-0101	61,815,913					61,815,913
HOMELESS INDIVIDUALS ASST. - 7004-0102	40,329,860					40,329,860
HOMELESS FAMILY EA SHELTER OVERFLOW - HOTELS/MOTELS - 7004-0103	31,636,800					
HOME & HEALTHY FOR GOOD PROGRAM - 7004-0104	1,400,000					1,400,000
MA SHORTTERM HOUSING TRANSITIONAL PROGRAM - 7004-0108	83,374,371					
HOUSING & COMMUNITY DEVELOPMENT CONFERENCE TRUST - 7004-9305					47,083	
EMERGENCY SHELTER GRANTS (ESG) - 4400-0705			6,400,000			6,400,000
CONTINUUM OF CARE (CoC) - 4400-0707			3,438,204			3,438,204
SHELTER PLUS CARE (SPC) - 4400-9404			3,400,000			3,400,000
Subtotal:	223,797,254	-	13,238,204	-	47,083	122,024,287
Total Agency:	359,365,507	183,196,306	579,226,416	1,902,882	27,564,285	1,035,447,142

Note: Consolidated Plan resources are highlighted in the table above. The amounts differ from the FY2013 awards because they include funds carried over from prior fiscal years that were still in the account at the beginning of FY2012. HOPWA funds are not shown because they are administered by the Department of Public Health.

Table 5: Summary of Projected FY 2013 Housing and Community Development Resources and Activities				
Funding Source & Program	Use	Target Population	Expected Level of Funding FY 2013	Expected Level of Activity FY 2013
<i>Federal Consolidated Plan Covered Resources</i>				
CDBG (Total Allocation)	Housing Rehab, CD Activities, Economic Dev.	Min 51% low income	\$29,397,541	
CDBG: Community Development Fund	Housing Rehab	Min 51% low income	\$7,114,246	
CDBG: Community Development Fund	CD Activities	Min 51% low income	\$10,671,369	
CDBG: Mini-Entitlement	Housing Rehab	Min 51% low income	\$1,795,500	
CDBG: Mini-Entitlement	CD Activities	Min 51% low income	\$6,754,500	
CDBG: Economic Development Fund	Support Business Development	Min 51% low income	\$1,000,000	
CDBG: Bridge Financing & Section 108 Loan Guarantee Program			Not a cash allocation	
CDBG: Massachusetts Downtown Initiative	Tech Assistance, Information and Workshops	Municipalities	\$80,000	30 municipalities
ESG	Shelter Operations, Services	100% low income, Homeless Ind. & Fam.	\$2,100,000	316 beds for families & individuals/4,770 individuals and families
HOME (Total Allocation)	Production & Homebuyer Assistance	100% low income with 60% and 50% bands	\$6,602,985	108 units
HOME: Multi-Family Rental	Rental Production	100% below 60% & 50% AMI	\$5,942,686	108 units
HOME: Homebuyer Assistance - rehab/new construction for FTHB	Rehab/New Const - Ownership	100% at/below 80% AMI	-0-	-0- units
HOME: Homebuyer Assistance - DP and closing costs (HOME ADDI)	Homebuyer Assistance	100% at/below 80% AMI	-0-	-0- households
HOPWA: Technical Assistance	TA to HIV/AIDS Housing Programs	N/A	\$188,819	Capacity building and TA throughout Massachusetts

Table 5: Summary of Projected FY 2013 Housing and Community Development Resources and Activities				
Funding Source & Program	Use	Target Population	Expected Level of Funding FY 2013	Expected Level of Activity FY 2013
<i>Other Federal Resources</i>				
DOE: WAP (Administered by DHCD)	Weatherization Repairs & Improvements	Low income households	Approximately \$5.14 million	650 households
HHS: CSBG (Administered by DHCD)	Anti-poverty & self-sufficiency programs	Low income individuals & households at or below 125% of FPL	\$17,344,113	285,000 households
HHS: HEARTWAP (Administered by DHCD)	Emergency Heating Repairs and Replacements	Low income households at or below 60% of SMI	\$12,000,000	12,000 households
HHS: LIHEAP (Administered by DHCD)	Fuel Assistance	Low income households at or below 60% of SMI	\$184,126,585	216,000 households
HUD: NSP2 (ARRA) Administered by Mass. Housing Investment Corp.)	Rental and Ownership Preservation	Low Income households at or below 50% AMI and Low Moderate Middle Income households up to 120% AMI	\$21,822,940	312 units (over the life of the NSP2 grant)
HUD: NSP3	Rental and ownership acquisition, rehabilitation and new construction	Low Income households at or below 50% AMI and Low Moderate Middle Income households up to 120% AMI	\$6,190,994	Not yet available
IRS: LIHTC (annual calendar year per capita authority)	New Rental Production and Preservation	40% @ 60% AMI OR 20% @ 50% AMI & 10% @ 30% AMI	\$14,821,956	1,100 units
McKinney Act Program (only state administered balance of state continuum of care funds included.	Excluding ESG	Homeless	\$8,672,651	3,380
McKinney Act Program: Shelter Plus Care	Rental Assistance (Excluding ESG)	Homeless & Disabled	\$3,400,000 (incl. in above)	
Section 202	Elderly Rental Production	Low Income Elderly	Not available	Not available
Section 8 Rental Assistance (S8 RA) Administered by DHCD – Housing Choice Vouchers (HCV)	Rental Assistance (See Note)	ELI/Low Income Households	\$230,000,000	19,594
S8 RA MS 5	Rental Assistance	Families with a Person with Disabilities	\$780,000	75

Table 5: Summary of Projected FY 2013 Housing and Community Development Resources and Activities				
Funding Source & Program	Use	Target Population	Expected Level of Funding FY 2013	Expected Level of Activity FY 2013
S8 RA Special Voucher Programs	Rental Assistance	Various Special Needs (Listed Below)		
S8 New Construction/Substantial Rehab (NC/SR)	Rental Assistance	Family/Elderly	\$25,800,000	1,887
S8 RA Special Voucher Program: FUP	Rental Assistance	DSS involved families in reunification	(Included in HCV)	785
S8 RA Veterans Housing Voucher Program (VHVP)	Rental Assistance	Disabled Veterans	(Included in HCV)	92
S8 RA Special Voucher Program: TBRA/AIDS	Rental Assistance	Disabled Persons with HIV/Aids	(Included in HCV)	217
S8 RA Special Voucher Program: HOP	Rental Assistance	Homeless Persons with Disabilities	(Included in HCV)	345
S8 RA Special Voucher Program: DSG	Rental Assistance	Disabled, non-Elderly Individuals	(Included in HCV)	600
S8 RA Special Voucher Program: MS	Rental Assistance	Disabled Households	(Included in HCV)	200
S8 RA Special Voucher Program: PBRA/AIDS	Rental Assistance	Persons living with HIV/AIDS	(Included in HCV)	18
S8 RA Special Voucher Program: VASH	Rental Assistance	Homeless veterans -- substance abuse or mental illness	\$736,000	255
Section 8 Mod Rehab	Rental Assistance	ELI/Low Income Households	\$10,000,000	1,142
Section 811	Special Needs Rental Production	Persons with Disabilities	Not yet available	Not yet available
USDA Rural Development: Sec 502 Single Family Housing	Direct Loans for Homeownership	ELI/Low Income Rural Households	\$53,000,000	\$53,000,000
USDA Rural Development: Sec 502 Single Family Housing	Guaranteed Loans	Low Income Rural Households	\$10,000,000	\$10,000,000
USDA Rural Development: Sec 504 Single Family Housing	Repair Loans	ELI Elderly Rural Households	\$122,000,000	\$122,000,000
USDA Rural Development: Sec 504 Single Family Housing	Repair Grants	Non-Profits for Admin of Rehab Programs	\$134,000,000	\$134,000,000

Table 5: Summary of Projected FY 2013 Housing and Community Development Resources and Activities				
Funding Source & Program	Use	Target Population	Expected Level of Funding FY 2013	Expected Level of Activity FY 2013
USDA Rural Development: Sec 515 Multi- Family Housing	Rental Housing	Existing Multi Family Housing	\$18,000,000 available nationally; competitive process	\$1,000,000 maximum/state for new Sec. 515 properties
USDA Rural Development: Sec 538 Multi- Family Housing	Rental Housing	Multi Family Guaranteed Loans in Rural Areas	\$129,000,000 available nationally; competitive process	No limit/state. Goal is one loan of \$2.4 million for 20-24 units
USDA Rural Development: Community Facilities Program	Essential Community Facilities	Community with a population of less than 20,000	Approximately \$4,000,000	Approximately \$4,000,000
USDA Rural Development: Water & Waste Disposal Program	Public water and sewer systems	Community with a population of less than 10,000	Approximately \$10,000,000	Approximately \$10,000,000
USDA Rural Development: Distance Learning Telemedicine Program	Telecommunications technologies	Community with a population of less than 10,000	\$50,000 - \$500,000	\$50,000 - \$500,000
USDA Rural Development Business and Cooperative programs	Improve Economic Climate	Communities with a population of less than 50,000	\$7,000,000 guaranteed loans and \$200,000 grant	\$7,000,000
State & Other Resources				
CEDAC: Pre-development	Tech Assistance to Create & Preserve Affordable Housing	Non-profit developed housing throughout the Commonwealth		
CEDAC: Acquisition Loan Program		Non-profit developed multi-family housing throughout the Commonwealth		
DHCD: Affordable Housing Trust Fund	Production and Preservation of Rental & Ownership	Up to 110% AMI	\$35,000,000	2,187 total units 1,589 affordable
DHCD: AHVP	Rental Assistance	Low income, disabled, and under the age of sixty (60)	\$3,450,000	400 households
DHCD: Capital Improvement Preservation Fund	Preservation of Expiring Use Rental Developments	Households at/below 50% and 80% AMI	\$5,000,000	200 units
DHCD: Commercial Area Transit Node Housing Program	Production & Rehabilitation of Rental & Ownership	Individuals & Families at/below 80% AMI	\$2,000,000	45 units
DHCD: Community Based Housing	Production & Acquisition of Rental Housing	Individuals with Disabilities and Elders	\$5,000,000	36 units

Table 5: Summary of Projected FY 2013 Housing and Community Development Resources and Activities				
Funding Source & Program	Use	Target Population	Expected Level of Funding FY 2013	Expected Level of Activity FY 2013
DHCD: Chapter 707 - Department of Mental Health Rental Subsidy Program	Rental Assistance and Supportive Services	DMH Clients	\$6,000,000	1,200
DHCD: Facilities Consolidation Fund	Production & Acquisition of Special Needs Housing	DMH/DDS clients	\$7,500,000	140 units
DHCD: Housing Innovations Fund	Production & Acquisition of Special Needs Housing	Very low income persons	\$10,000,000	500 units
DHCD: Housing Stabilization Fund	Rental & Ownership Production & Preservation	Low/mod households	\$16,000,000	433 units
DHCD: Local Initiative Program	New Production, Ownership & Rental	Low/mod households	Technical assistance provided	477 units
DHCD: Local Housing Authority Transitional Housing Program	Transitional Housing and Services	Homeless families in DTA shelters	\$1,511,894	101
DHCD: Local Housing Authority Housing First Program	Public Housing, case management and services	Homeless families in DTA shelters	\$312,080	45
DHCD: LIHTC (annual authority per calendar year)	New Rental Production and Preservation	40% @ 60% AMI OR 20% @ 50% AMI & 10% @ 30% AMI	\$20,000,000	1,500 units (see IRS:LIHTC, also)
DHCD: Mixed Pop Service Coordination Program	Service Coordination	Young Disabled and Elderly Residents of C.667 Housing	\$350,000, plus PH admin	20 LHAs 29 Communities Approx. 4,500 units 500 cases/mo.
DHCD: MRVP	Rental Assistance	Low/mod households	\$35,900,000	Approximately 5,000 households
DHCD: Public Housing Administration	Public Housing Operations	Very low income households	\$62,500,000	Approximately 50,000 units
DHCD: Public Housing - Modernization	Public Housing Improvements & Upgrades	Very low income households	\$90,000,000	550 projects
DHCD: Housing Consumer and Education Centers	Information, Education, Referral	Housing consumers and providers	\$1,500,000	58,954
DHCD: Residential Assistance for Families in Transition	Homelessness Prevention	Families at risk of homelessness/50% AMI	\$260,000	110
DHCD: Tenancy Preservation Program (total to TPP, incl. funds from MassHousing and other sources)	Homelessness Prevention	Persons with disabilities facing eviction	\$526,016	547 full cases 2,180 consultations
DMH: Housing (administered by DHCD)	Special Needs Housing	DMH clients	Included in Public Housing Administration	621 units

Table 5: Summary of Projected FY 2013 Housing and Community Development Resources and Activities				
Funding Source & Program	Use	Target Population	Expected Level of Funding FY 2013	Expected Level of Activity FY 2013
DDS: Supervised and Supportive Living Services (administered by DHCD)	Special Needs Housing	DDS Clients	Included in Public Housing Administration	Approx. 1,050 units
DOB: Regional Foreclosure Education Centers	Foreclosure Prevention	Homeowners in danger of foreclosure, prospective homebuyers	Estimate: \$800,000 for actual grant distribution (funded through mortgage licensing fees)	3,000 clients
DHCD: Emergency Assistance Family Shelter	Family Shelters	Homeless Families	\$151,505,859	3,000 families per night
DHCD: Individual Homeless Shelter	Individual Shelters	Homeless Individuals	\$37,281,684	2,934 adults per night
DVS: Shelters	Homeless Veterans Housing	Homeless Veterans	Total DVS funding (homeless veterans programs): \$5,105,000	Emergency Shelter capacity for approx. 400 adults each night
DVS: Transitional Housing	Homeless Veterans Housing	Homeless Veterans	Total DVS funding (homeless veterans programs): \$5,105,000	400 Transitional units for single veterans
DVS: Permanent Housing	Homeless Veterans Housing	Homeless Veterans	Not yet available	Under review
Elder Affairs: Assisted Living	Assisted Living	Elders & Disabled Persons	N/A	13,000 certified Assisted Living units
Elder Affairs: Supportive Senior Housing	Rental Senior & Disabled Housing	Elders & Disabled in Chap. 667 Public Housing	\$4,013,303	32 sites/4200 units
Elder Affairs: Congregate Housing	Rental Senior & Disabled Housing	Elders & Disabled in Ch. 667 Public Housing	\$1,503,617	51 sites/1800 units
Housing & Economic Development: MassWorks	Public infrastructure supporting housing, community and economic development	Public owned or managed projects	\$61,000,000 (over 2-3 fiscal years)	41 communities
ICHH: Regional Networks	Homelessness Prevention	Homeless and At Risk of Homelessness Individuals and Families	\$1,00,000	Funding for 10 Regional Networks
FHLB Boston: Affordable Housing Program	Gap Financing (Usually): Rental & Ownership	Low/mod households	10% of the Bank's net earnings from the prior year. Forward looking data are not available.	Forward looking data are not available.
FHLB Boston: New England Fund	Rental & Ownership Production	25% for Low/Mod Households	Program available, subject to market forces and	Program available, subject to market forces and demand.

Table 5: Summary of Projected FY 2013 Housing and Community Development Resources and Activities				
Funding Source & Program	Use	Target Population	Expected Level of Funding FY 2013	Expected Level of Activity FY 2013
			demand. Forward looking data are not available.	Forward looking data are not available.
FHLB Boston: Community Development Advances	Rental & Ownership Production; Economic Development; Mixed-Use	Residential and Economic Development: Up to 115% of Area Median Income depending on the activity	Program remains available; subject to market forces and demand. Forward looking data are not available.	Program remains available; subject to market forces and demand. Forward looking data are not available.
MassDevelopment: Brownfields Redevelopment Fund - Site Assessment	Site assessment		\$924,000	1,162 units
MassDevelopment: Brownfields Redevelopment Fund - Remediation	Remediation		\$2,652,000	250 units
MassDevelopment: Tax-exempt Affordable Rental Housing Production	Rental Housing Production	20% @ 50% AMI or 40% @ 60% AMI	\$86,000,000	671 units
MassDevelopment: Tax-exempt Affordable Rental Housing Preservation	Rental Housing Preservation	20% @ 50% AMI or 40% @ 60% AMI	\$135,000,000	1,255 units
MassHousing: Rental Lending -- New Production	Rental Housing Production	Low/Mod/Market households	\$46,746,300	510 units in 7 developments
MassHousing: Rental Lending -- Preservation	Rental Housing Preservation	Low/Mod/Market households	\$315,219,245	3,051 units in 23 developments
MassHousing: Priority Development Fund	Rental Housing Development	Gap filler financing for MassHousing-financed developments	\$9,217,204	414 units in 4 developments (These developments also receive production and preservation funds, and are included in the totals for those programs.)
MassHousing: Home Ownership Mortgage Products	Homeownership	Moderate income	\$450,000,000	2,100 loans
MassHousing: Home Improvement Mortgage Products	Home repairs, including lead paint abatement	100% AMI and below	\$1,477,000	73 loans
MassHousing: Center for Community Recovery Innovations (CCRI)	Rental Housing Production/Preservation	Creation and preservation of Sober Housing	\$700,000	100 units
MassHousing: Mortgage Insurance for Non-MassHousing Financed Home Mortgages	Homeownership	Eligible buyers with less than 20% down payment	\$20,000,000	100 loans insured

Table 5: Summary of Projected FY 2013 Housing and Community Development Resources and Activities				
Funding Source & Program	Use	Target Population	Expected Level of Funding FY 2013	Expected Level of Activity FY 2013
MassHousing: Portfolio Management	Rental Housing Preservation	71% low-income; 12% moderate-income; 17% market		101,826 rental units and 137 homeownership units in 940 developments
MHP: Permanent Financing	Rental Housing Production & Preservation	Low/mod households	\$110,000,000	1,400 housing units (new and preserved), with 785 affordable to households at 60% AMI or less
MHP: Technical Assistance	Technical Assistance	Housing Authorities and Municipalities	\$150,000	15 total: communities and housing authorities
MHP: Chapter 40B Technical Assistance	Technical Assistance	Municipalities	\$130,000	13 contracts
MHP: Soft Second Loan	Homeownership	Low/mod FTHB	\$4,800,000	1,000 loans
MHP: Neighborhood Rental Initiative	To increase supply of affordable housing for low-income residents in high-opportunity communities	Either 40% of units eligible at 60% of area median income or 20% at 50% AMI.	\$4,875,000 in subordinate debt committed plus PRFP first mortgage debt estimated at \$5,000,000	Six projects totaling 78 units will either complete construction, close construction financing, or be committed for financing in FY12.
MHP: HomeFunders, Permanent Financing	To increase # of ELI units in MHP Rental Production	100% low income, 20% ELI	\$2,050,000 in HomeFunders dollars committed	Est. 166 units of which about 36 for households earning <30% AMI
MHP: Neighborhood Stabilization Loan Fund	To provide financing for acquisition and rehab of foreclosed properties in distressed neighborhoods	Mixed income, both market and affordable	\$7.8 million committed or expected by end of FFY; \$8.5 million credit line for MHIC's NSLF.	See NSP2
MRC: Home Modification Loan Program	Home Modifications	Individuals/Families with Disabilities	\$4,000,000	180 loans
Home Funders: Predevelopment & Acquisition Loans (CEDAC)	Rental Production	100% low income, 25% ELI		
Note - Includes 7 special set asides for special populations, but does not include units administered by the state's local housing authorities. In total, more than 71,000 MA households receive Section 8 Housing Choice Rental Vouchers. In addition, the rents of tenants in more than 60,000 units of subsidized housing are supported by Section 8 project based rental subsidies.				

CONSOLIDATED PLAN COVERED PROGRAMS

The Role of the Consolidated Plan Resources

HOME, CDBG, ESG, and HOPWA funds are important resources for the Commonwealth in the execution of its housing and community development agenda. CDBG, in particular, is the State's major resource to address the needs of its non-entitlement communities, all of which are facing fiscal constraints. Many of these communities have also been hard hit by foreclosures and job layoffs. In addition to supporting a broad range of infrastructure, accessibility and community development projects, the Massachusetts CDBG (Small Cities) Program facilitates small business development through support of regional, revolving loan funds, and the retention or expansion of existing businesses. Its housing rehabilitation funds are being used in many communities to revitalize older housing in established neighborhoods.

HOME remains the workhorse in the State's stable of housing programs. Along with the low income housing tax credit, with which it is often paired, HOME is a major tool for preserving and expanding the state's affordable rental inventory, identified as a priority need. In the past five years, HOME has funded between 275 and 400 units annually; however because of the decreased funding, DHCD anticipates supporting approximately 108 additional units in FY 2013.

ESG and HOPWA are also important resources, each contributing to the challenge of combating homelessness and providing decent housing for at-risk populations. The State has strategically used the Emergency Solutions Grant Program to expand shelter capacity by targeting shelters with previously unfunded beds for shelter operations. Additionally, ESG continues to focus on moving people beyond homelessness by offering essential supportive service geared toward rapidly re-housing currently homeless individuals in the shelter system and providing homelessness prevention services to at-risk households that are not eligible for other prevention services in Massachusetts. This strategy has proven to be consistent with the State's new approach to combating homelessness. Both the Consolidated Plan and this FY 2013 Action Plan are consistent with the Commonwealth's Continuum of Care Plan.²

A description of the programmatic initiatives being proposed for FY 2013 regarding the four covered programs is provided below. Please see **Appendix B** for program specific requirements.

Community Development Block Grant (CDBG)

Administered by the Department of Housing and Community Development, the Massachusetts Community Development Block Grant program provides federal funds on a competitive basis to municipalities that have populations under 50,000 that are not designated as HUD entitlement communities. Communities may apply for funding for a variety of projects, including the rehabilitation/stabilization of housing stock, improvements to aging infrastructure, stabilization of neighborhoods, and assistance to small businesses for job creation. The Massachusetts CDBG Program allows communities to undertake the entire range of eligible activities as authorized by Title I of the Housing and Community Development Act of 1974, as amended. DHCD is requiring all applicants to target their resources in a comprehensive, integrated manner consistent with the Commonwealth's sustainable development principles. The Program is divided into three separate components, with each serving a different purpose or level of need. In federal FY 2013, the Massachusetts CDBG Program will receive \$29,397,541 from HUD. Based on past demand, approximately 42 percent of this amount will be allocated to support the rehabilitation of 500 affordable housing units through the Community Development Fund (CDF) and Mini-Entitlement components of the CDBG Program.

² The Commonwealth submits 22 separate Continuum of Care plans. The so-called "Balance of State Plan" summarizes the needs, objectives, priorities, and resources for the entire state. It may be obtained by contacting DHCD.

- The Community Development Fund (CDF), representing the bulk of the state's CDBG allocation, will be distributed through an annual competitive application process. Access and competitiveness within CDF are affected by an assigned Community Wide Needs score, which is calculated by DHCD for all eligible communities (non-entitlement). CDF supports revitalization efforts and addresses the needs of low and moderate income residents by supporting housing as well as community and economic development activities in Massachusetts cities and towns. The fund is divided into two parts for purposes of allocation: CDF I (\$14,785,615 available) is for communities with high needs as defined by a statistical formula; CDF II (\$3,000,000 available) is for communities with more moderate needs.
- Mini-Entitlement Grants are specifically targeted to municipalities that meet the three following criteria: (1) Community Wide Needs Score over 28; (2) a poverty rate higher than the state average of 6.7%; and, (3) population over 12,000. Through the Mini-Entitlement program, identified cities and towns can meet a broad range of community development needs in housing, business development, physical development, downtown revitalization, and public social services in identified target areas. The program supports all CDBG-eligible activities and encourages applicants to develop comprehensive, creative solutions to local problems. In FY 2013, 9 municipalities have been designated as Mini-Entitlements eligible to receive up to \$900,000 each.
- The Economic Development Fund (EDF) provides assistance to communities focused on community economic development - retaining and creating jobs for low and moderate-income people, strengthening the local tax base, and supporting revitalization efforts that enhance the quality of life in the community. EDF gives priority to assistance for physical improvements in support of economic development and job creation/retention.

EDF will offer assistance to directly support physical improvements to downtown or commercial center areas, particularly, rehabilitation of, or conversion to, affordable and workforce housing units located in downtown or commercial center areas. Other physical improvement projects must be located in downtown/commercial center areas, with emphasis on mixed-use development. EDF will also fund planning studies within certain limitations.

In FY 2013, \$1,000,000 (including \$100,000 from program income) will be available for the Economic Development Fund.

Geographic Distribution of Funds for CDBG

CDBG resources are available to HUD non-entitlement communities. The HUD entitlement communities in Massachusetts are:

Arlington	Framingham	New Bedford	Springfield
Attleboro	Gloucester	Newton	Taunton
Barnstable	Haverhill	Northampton	Waltham
Boston	Holyoke	Peabody	Westfield
Brockton	Lawrence	Pittsfield	Weymouth
Brookline	Leominster	Plymouth	Worcester
Cambridge	Lowell	Quincy	Yarmouth
Chicopee	Lynn	Revere	
Fall River	Malden	Salem	
Fitchburg	Medford	Somerville	

HOME Investment Partnerships Act (HOME)

HOME remains a workhorse in the State's stable of housing programs. Along with the low income housing tax credit, with which it is often paired, HOME is a major tool for preserving and expanding the state's affordable rental inventory, identified as a priority need. In the past completed program year (FY 2012) HOME funded approximately 276 units. Approximately 108 additional HOME units are projected for FY 2013.

DHCD will administer only one HOME program in FY 2013: a multi-family rental housing program.

▪ ***Multi-Family Rental Housing Loans (FY 2013 Funding available to projects: \$5,942,686)***

DHCD expects to commit approximately \$5.9 million to rehabilitate or newly construct a minimum of HOME-assisted housing units. Typically, DHCD awards up to \$50,000 per unit in HOME assistance to projects located in HOME entitlement or consortium communities. In non-entitlement or consortium communities, DHCD awards up to \$65,000 per HOME-assisted unit. Typically, a maximum of \$750,000 to \$1,000,000 is awarded to a project. We reserve the option to increase the per unit amounts for family projects located in Gateway communities or in areas of opportunity.

DHCD may make between \$1 to 2 million available on a rolling basis to organizations seeking to preserve or create housing for homeless families and/or individuals and veterans.

Geographic Distribution of Funds for HOME

DHCD will continue its past practice of seeking to competitively award HOME funds in those areas of the Commonwealth that do not receive HOME funds as a result of entitlement community or HOME consortium designation. DHCD will competitively award HOME funds for rental loan projects in entitlement communities that provide a match for DHCD administered HOME funds.

Additional information about the state's use of HOME funds is available in Appendix B. Further information can be obtained by calling DHCD's Division of Housing Development at (617) 573-1300.

HOME Entitlement and Consortia Communities and Contact Agencies, Winter 2013

HOME Entitlement Communities

Boston	Department of Neighborhood Development
Brockton	Brockton Redevelopment Authority
Cambridge	Community Development Department
Fall River	Community Development Agency
Lawrence	Planning and Community Development Department
Lowell	Division of Planning and Development
Lynn	Community Development Department
New Bedford	Office of Community Development
Somerville	Office of Housing and Community Development
Springfield	Community Development Department
Worcester	Planning and Community Development Department

HOME Consortia Communities

Barnstable County Consortium

Cape Cod Commission

Barnstable	Bourne	Brewster	Chatham
Dennis	Eastham	Falmouth	Harwich
Mashpee	Orleans	Provincetown	Sandwich
Truro	Wellfleet	Yarmouth	

Fitchburg-Leominster Consortium

Fitchburg Office of Planning

Holyoke-Chicopee-Westfield Consortium

Holyoke Office for Community Development

North Suburban Consortium

Malden Redevelopment Authority

Arlington	Chelsea	Everett	Malden
Medford	Melrose	Revere	Winthrop

Metrowest Consortium

Newton Department of Planning and Development

Bedford	Belmont	Brookline	Framingham	Lexington	Lincoln	Concord
Natick	Needham	Newton	Sudbury	Waltham	Watertown	Wayland

North Shore Consortium

Peabody Office of Community Development

Andover	Amesbury	Beverly	Boxford	Danvers	Essex
Georgetown	Gloucester	Hamilton	Haverhill	Ipswich	Lynnfield
Manchester	Marblehead	Merrimac	Methuen	Middleton	Newburyport
North Andover	N. Reading	Peabody	Rockport	Rowley	Salem
Salisbury	Swampscott	Wenham	West Newbury	Wilmington	Topsfield

Quincy – Weymouth Consortium

Quincy Department of Planning and Community Development

Quincy	Weymouth	Braintree	Holbrook	Milton
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Taunton Consortium

Mayor's Office of Community Development

Attleboro	Berkley	Dighton	Carver	Lakeville	Mansfield
Middleborough	N. Attleboro	Norton	Plainville	Raynham	Seekonk
Taunton					

Emergency Solutions Grant (ESG)

The Emergency Solutions Grant Program (ESG) funds eligible activities designed to prevent homelessness, support basic shelter operations and provide essential supportive services for homeless individuals and families specifically geared to rehousing.

Massachusetts has used ESG funds to expand shelter capacity and enhance the availability of services for homeless individuals and families, serving approximately 6,000 individuals and families in each of the last several years. The FY 2013 ESG award distributed through a competitive procurement is expected to serve approximately 6,000 individuals and families through the following services:

- homelessness prevention for families and individuals (approximately \$908,595) to serve approximately 618 households;
- rapid re-housing for individuals (approximately \$1,446,934) to serve approximately 612 households; and,
- shelter support operations, including the creation of new DV shelter beds (approximately \$1,626,743) to serve approximately 4,770 families and individuals.

Successful programs are eligible for renewal for up to 3 years.

Housing Opportunities for Persons with AIDS (HOPWA) Program

The Massachusetts Department of Public Health (MDPH) Office of HIV/AIDS (OHA) is responsible for the administration of “balance of state” HOPWA funds. In FFY 2013, the state expects to receive \$197,121 as a formula grantee. MDPH will use these resources to fund technical assistance services for home-based HIV/AIDS Medical Case Management service providers statewide.

Further information regarding HOPWA is provided in Appendix B of this document. Additional information about the state’s use of state HOPWA funds can also be obtained by calling the Massachusetts Department of Public Health HIV/AIDS Bureau at (617) 624-5347.

Geographic Distribution of Funds for the HOPWA Programs

MDPH utilizes its resources to support the provision of technical assistance in every region of Massachusetts, both within and outside of other HOPWA Eligible Metropolitan Statistical Areas (EMSAs).

Outcome Performance Measurement System

HUD issued a Final Notice on March 7, 2006 on its Outcome Performance Measurement System. Through the system HUD will collect information on the activities undertaken in the following programs: HOME, CDBG, HOPWA and ESG, and aggregate the data at the national, state, and local level. The outcome measures framework contained herein will supplement the measurements contained in the HUD notice, along with any revisions adopted by HUD.

The system incorporates the following three objectives set forth in the Housing and Community Development Act of 1974: 1) create suitable living environments; 2) provide decent housing; and, 3) create economic opportunities. Beyond that, the system directs applicants/grantees to select from one of the following three outcomes to help define the intent of the activity: 1) availability/accessibility; 2) affordability; and, 3) sustainability - promoting livable or viable communities.

Based on the applicant's purpose for undertaking a project or activity, the applicant will determine and state in the application what the intent of the project is with one of the nine Outcome Statements. An applicant may select additional Outcome Statements if it believes them to be applicable to its proposed activities.

The system will not change the nature of the program or its regulations. This system creates a framework that allows for a consistent reporting to HUD on a national level.

Each outcome category can be connected to each of the overarching objectives, resulting in a total of nine groups of outcomes/objective statements under which the grantees would report the activity or project data to document the results of their activities or projects. Each activity will provide one of the following statements, although sometimes an adjective such as new, improved, or corrective may be appropriate to refine the outcome statement.

- Accessibility for the purpose of creating suitable living environments
- Accessibility for the purpose of providing decent affordable housing
- Accessibility for the purpose of creating economic opportunities
- Affordability for the purpose of creating suitable living environments
- Affordability for the purpose of providing decent affordable housing
- Affordability for the purpose of creating economic opportunities
- Sustainability for the purpose of creating suitable living environments
- Sustainability for the purpose of providing decent affordable housing
- Sustainability for the purpose of creating economic opportunities

In addition, there are certain data elements commonly reported by all programs, although each of the four programs may require different specificity or may not require each element listed below. Grantees will only report the information required for each program, as currently required. No new reporting elements have been imposed for program activities that do not currently collect these data elements. The elements include:

- Amount of money leveraged (from other federal, state, local, and private sources) per activity;
- Number of persons, households, units, or beds assisted, as appropriate;
- Income levels of persons or households by: 30 percent, 50 percent, 60 percent, or 80 percent of area median income, per applicable program requirements. However, if a CDBG activity benefits a target area, that activity will show the total number of persons served and the percentage of low/mod persons served. Note that this requirement is not applicable for economic development activities awarding funding on a "made available basis;"
- Race, ethnicity, and disability (for activities in programs that currently report these data elements)

HUD will combine the objectives, outcomes, and data reported for the indicators to produce outcome narratives that will be comprehensive and will demonstrate the benefits that result from the expenditure of these federal funds.

Finally, the applicant will report on several other indicators, required as applicable for each activity type. These will be detailed in each program application, reporting forms and/or accounting and grants management software.

Ninety days after the close of the state's HUD program year (April 1 through March 31), the Commonwealth submits the annual Performance Evaluation Reports (PERs) for the programs covered by the Consolidated Plan; the PERs for 2012 are due June 30, 2013.

Monitoring

DHCD and EOHHS/DPH recognize and fulfill the monitoring requirements of the four grant programs included in this plan. Monitoring activities are conducted in accordance with the HUD regulations for each program, and may include the following:

1. explanation of grant contract requirements and deadlines to all grantees;
2. desk reviews and/or field visits as warranted to monitor work in progress and completed projects;
3. monitoring may also provide an excellent opportunity to explore local community development strategies and possibilities and place HUD assistance in a broader context for local officials.
4. telephone, field visit, or office conference assistance to grantees upon request, or if the agency has identified concerns as a result of a field visit or other technical assistance effort;
5. detailed explanation of ways to improve grant administration procedures should a grantee be having difficulty in meeting contract conditions;
6. ongoing consultation with HUD CPD regional office regarding program status, regulatory and reporting requirements, possible changes in program design, etc.; and,
7. suspension of grant activities where warranted.

CDBG

The CDBG program holds yearly workshops for applicants to describe the program's aims and requirements, and will be offering additional training in CDBG-related topics. Both CDBG and HOME hold sessions with grantees each year to review all contract conditions, requirements, procedures for requesting payment, etc. CDBG also requires quarterly reports and year-end audits to track activity and progress, and has developed a monitoring system that allows a representative CDBG staff person comprehensive knowledge of all funded activities in any one community. The aim of this effort is to assure the consistent application of program standards and requirements.

Massachusetts CDBG operational goals include: program and project monitoring for progress, program compliance, fiscal management, and fiscal compliance. This process includes ongoing planning, implementation, communication and follow-up between DHCD and its grantees.

The monitoring protocol considers internal controls and processes, use and maintenance of databases, and the grant application review cycle. Each of these procedures provides DHCD and grantees with a set of assessment tools for a compliance check.

The Massachusetts CDBG staff includes a Senior Program Representative with responsibility for monitoring coordination. Monitoring incorporates field visits and desktop reviews that consider progress indicators and submission requirements. Mass. CDBG identifies and completes a risk analysis of all active grantees. This risk analysis assigns a monitoring priority ranking to a grantee. Based upon the assigned priority, staff develops a monitoring plan. The risk rating system is as follows:

- High Priority - Change in key personnel or a change in findings, repeat findings; questioned or disallowed costs; incorrect/incomplete or late quarterly audit or status of funds reports, no subsequent year's funding, long interval since last monitoring.

- Medium Priority - Change in key personnel or incorrect/incomplete or late quarterly, audit or status of funds reports.
- Low Priority - Good/consistent management for prior 2-years; no findings; accurate, complete, timely reports.

DHCD also considers a variety of other indicators that can affect the priority score. Examples of factors that will increase a grantee's monitoring priority include status as a new grantee to Massachusetts CDBG; high risk/complex projects (such as economic development); and multiple projects/multiple grants. Following consultation with HUD, DHCD recently modified the risk assessment systems to capture all grantees that have gone unmonitored within the past two years and single-year recipients.

The tools that DHCD uses to monitor are project checklists, desktop reviews, and quarterly reports. Letters outlining findings, corrective actions and/or recommended changes are sent to a municipality's chief elected official in addition to grantee staff.

DHCD standard operating procedures include training and technical assistance to assure effective program implementation and prevent monitoring findings. Massachusetts CDBG staff makes several on-site visits during the program year to provide technical assistance and pre-monitor projects.

ESG

As part of DHCD's competitive procurement process, all providers are required to read the ESG desk guide. After service providers are identified through the competitive procurement process, DHCD works with HUD, if needed, to ensure that additional training is provided to all ESG contracted providers. The purpose of all training is to ensure that each non-profit organization utilizing ESG funds understands the fiscal and programmatic requirements of the program. Additional training is provided on the fiscal and programmatic contract requirements through language incorporated by DHCD in its ESG contracts. With the implementation of the HEARTH Act, DHCD has provided, and will provide additional training to make sure all providers are compliant with the new ESG rules and regulations.

DHCD requires each ESG contractor to submit quarterly reports each year. In addition, DHCD requires each of its ESG contractors to participate in HMIS.

DHCD concurrently tracks ESG obligations and expenditures through the state's MMARS system, which is managed by the Office of the State Comptroller and records payments of state funds to ESG contractors authorized by DHCD or other state agencies. MMARS provides documentation of expenditures of state funds awarded to ESG contractors and ensures accurate reconciliation of reimbursement of expenditures with federal funds.

DHCD conducts regular desk reviews of each program and annual on-site monitoring visits for each contracted program.

HOME

DHCD will continue to contract with an outside agency to provide monitoring services and technical support to the HOME Program. Under the contract, the consulting agent is required to provide an annual report summarizing its monitoring and other activities. DHCD will be posting a Request for Responses during this program year.

The primary activity under the contract is the monitoring of recipients who have received funding from DHCD's HOME Program to undertake eligible housing activities. The purpose of the monitoring is to determine if the recipient is implementing the activities in compliance with the HOME regulations and its contractual agreement with DHCD. While regulatory compliance is the primary emphasis, the monitoring also looks for sound management practices and record keeping, so we can assess and encourage the financial and physical health of the asset. Further, the visit is an opportunity for the monitor to sit with site staff and train on the program. The monitoring contractor, as well as DHCD, remains available thereafter to respond to HOME questions.

On a periodic basis, DHCD provides the list of sites for review. DHCD selects those project sites that have completed construction and are entering occupancy for a development review, as well as program administrators (local governments and not-for-profits) who are due for a review. For each recipient that is subject to an onsite monitoring review, the agent schedules and conducts an onsite interview of key program staff, reviews program files and inspects the property, including a sample of units. The results of the visit are compiled and submitted to DHCD in a draft monitoring letter, offering findings of non-compliance as well as matters of advice to the recipient. DHCD issues the letter and receives responses from the grantee. Additionally, the agent conducts onsite monitoring reviews biennially on rental projects with fewer than 26 units and annually for those with 26 or more units. For years not subject to an onsite visit, a desk review is performed to analyze rent charges, income levels, recertification dates and frequency of HQS inspections. DHCD's monitoring guide will include any additional items required by the 2012 appropriation language, as directed by HUD.

In addition, the agent supports the HOME Program through program advice on compliance questions and annual occupancy trainings. Because of state legislation, DHCD now requires HOME developers/owners to report beneficiary data on an annual basis through a web-based tool. This enhances performance measurement efforts and facilitates compliance with state fair housing legislation.

HOPWA

The HOPWA monitoring protocol includes:

1. The CMAR (Contract Monitoring and Assessment Report)

Submitted two times a year, the CMAR is a reporting mechanism required of all housing programs funded by the HIV/AIDS Bureau. It gathers various types of information including demographics on the people served, service delivery data, goals and outcomes, composition and training of the staff; and narratives about the program's work.

2. Site visits

Annual site visits are required. Site visits are frequently conducted more often than once a year. Topics covered in site visits typically include: physical inspection of the facility; meetings with the staff members; meetings with residents; random inspection and review of residents' folders, not only to ensure eligibility requirements are being met, but also that case management activities are appropriate and completed in a timely manner; and a review of items such as house rules, TB screening policy, and universal precautions.

3. Standards of Care

The AIDS Bureau has published its *Standards of Care: Supportive Housing for Persons Living with HIV/AIDS in Massachusetts*. Compliance with these standards is required of all HIV/AIDS housing programs funded by the HIV/AIDS Bureau of MDPH. Each funded agency is required to undergo a self-evaluation process that includes the participation of its residents (consumers) and a peer agency; the process is facilitated by a third agency contracted by the HIV/AIDS Bureau to provide such specialized technical assistance. The results and recommendations of this process are submitted to the HIV/AIDS Bureau and are used not only for quality assurance, but also for ongoing monitoring to improve, where needed, compliance with the standards of care.

Table 6: HUD Table 2C/3A: Summary of Specific Annual and Multi-Year Goals

Specific Obj. #	Outcome/Objective	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
	Specific Objectives						
DH-1	Decent Housing with Purpose of New or Improved Availability/Accessibility						
DH-1.1	Distribute funds broadly, including urban (60%), suburban (35%), and rural (5%)	1. HOME	1 & 2. Units created, occupied, and reported in IDIS. HOME funds committed and expended in IDIS. 3. Units of affordable housing produced	2010	309	Not avail.	
DH-1.2	Provide housing for special populations: homeless (5%); special needs (3%); elderly (20%)						
DH-1.3	Housing production under CDBG/EDF (2010 – 9; 2011-2014 –6/yr.)	2. HOME		2011	381	Not avail.	
				2012	171		
		3. CDBG		2013	150		
				2014	106		
MULTI-YEAR GOAL					1,117		
DH-2	Decent Housing with Purpose of New or Improved Affordability						
DH-2.1	Create affordable units (with 80% of expenditures – 132 units)	1. HOME	1-5: Units created, occupied, and reported in IDIS. HOME funds committed and expended in IDIS. 6 Down payment assistance and counseling to LMI households	2010	295	Not avail.	
DH-2.2	Preserve affordable units (with 20% of expenditures – 33 units)	2. HOME		2011	385	Not avail.	
				2012	175		
DH-2.3	Create/preserve rental units for households at or below 30% AMI (min. 10% of units -17)	3. HOME		2013	150		
DH-2.4	Create or preserve rental units for households at/below 60% AMI (95% of units created/preserved each year – 165 units)			2014	106		
DH-2.5	Create ownership opportunities for house-holds at/below 80% AMI (5% of total units – -0- units)						
DH-2.6	Homebuyer assistance (2010 – 12 units; 2011 – 2014 - 10 units/yr.)						
		4. HOME					
		5. HOME					
		6. CDBG					
MULTI-YEAR GOAL					1,111		

Specific Obj. #	Outcome/Objective	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
	Specific Objectives						
DH-3	Decent Housing with Purpose of New or Improved Sustainability						
DH-3.1	100% of newly constructed units will meet Energy Star or comparable standards	1. HOME	1. Energy Star status verified and reported in IDIS. 2. Program design guidelines will require completion of green design exhibits and will be reviewed/assessed prior to construction 3. Number of units rehabbed	2010	1,170	Not avail.	
DH-3.2	100% of new rental units (production and preservation) will incorporate green design	2. HOME		2011	721	Not avail.	
DH-3.3				3. CDBG	2012	720	
	2013	600					
	Housing rehabilitation		2014	500			
			MULTI-YEAR GOAL		3,711		
SL-1	Suitable Living Environment with Purpose of New or Improved Availability/Accessibility						
SL-1.1	Architectural Barrier Removal	1. CDBG	Number of persons for whom access is improved or provided	2010	528	Not avail.	
SL-1.2	Public Social Services	2. CDBG		2011	500	Not avail.	
				2012	500		
				2013	500		
				2014	500		
			MULTI-YEAR GOAL		2,528		
SL-3	Suitable Living Environment with Purpose of New or Improved Sustainability						
SL-3.1	Infrastructure and Public Facility Improvements	1. CDBG	1. Number of persons assisted 2. Number of persons with new or continuing access to a service	2010	50,500		
SL-3.2	Public Social Services	2. CDBG		2011	35,000		
				2012	50,569		
				2013	35,000		
				2014	35,000		
			MULTI-YEAR GOAL		190,500		

EO-1 Economic Opportunity with Purpose of New or Improved Availability/Accessibility							
EO-1.1	Public Social Services	CDBG	Number of persons with new or continuing access to a service	2010		NA	
				2011		NA	
				2012			
				2013			
				2014			
		MULTI-YEAR GOAL					
Specific Obj. #	Outcome/Objective	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
	Specific Objectives						
CR-1 Community Revitalization							
CR-1.1	Downtown Revitalization Assistance through the Massachusetts Downtown Initiative	CDBG	Number of communities assisted	2010	30	Not avail.	
				2011	100	Not avail.	
				2012	100		
				2013	100		
				2014	100		
		MULTI-YEAR GOAL			430		

Table 7: (HUD Table 3B): Annual Housing Completion Goals						
Grantee Name: Massachusetts Program Year: 2012	Expected Annual Number of Units To Be Completed	Actual Annual Number of Units Completed	Resources used during the period			
			CDBG	HOME	ESG	HOPWA
ANNUAL AFFORDABLE RENTAL HOUSING GOALS (SEC. 215)						
Acquisition of existing units			<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Production of new units	126 (0 CDBG + 126 HOME)		<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>
Rehabilitation of existing units	68 (35 CDBG+ 24HOME)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rental Assistance			<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Total Sec. 215 Affordable Rental	194		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ANNUAL AFFORDABLE OWNER HOUSING GOALS (SEC. 215)						
Acquisition of existing units			<input type="checkbox"/>	<input type="checkbox"/>		
Production of new units	5		<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Rehabilitation of existing units	500		<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Homebuyer Assistance	12 (CDBG only)		<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Total Sec. 215 Affordable Owner	517		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ANNUAL AFFORDABLE HOUSING GOALS (SEC. 215)						
Acquisition of existing units			<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Production of new units	131 (4 CDBG + 126 HOME)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>
Rehabilitation of existing units	559 (535 CDBG + 24 HOME)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Homebuyer Assistance	12 (CDBG only)		<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Total Sec. 215 Affordable Housing	711		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ANNUAL AFFORDABLE HOUSING GOALS (SEC.215)						
Homeless households	40 (20 CDBG + 20 HOME)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...Non-homeless households	641 (502 CDBG + 139 HOME)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...Special needs households	19 (15 CDBG + 4 HOME)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ANNUAL HOUSING GOALS						
Annual Rental Housing Goal	194 (35 CDBG + 159 HOME)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Annual Owner Housing Goal	517 (CDBG only)		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total Annual Housing Goal	711		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Additional 2013 Resources, Initiatives and Expected Level of Activity

Dozens of programs and activities are carried out in addition to those covered by the FY 2013 Action Plan that support the state's six broad housing and community development objectives. Detailed program criteria and guidelines are available in DHCD's program fact sheets, available on line at www.mass.gov/dhcd, or from the administering agency. A summary of all available resources is provided in matrix form in **Table 5**, which illustrates the funding and activities the Commonwealth will marshal to create and preserve an adequate supply of housing; to expand homeownership; reduce homelessness; reduce foreclosures and ensure that foreclosures do not destabilize neighborhoods; ensure that persons with special needs have access to appropriate services and accessible housing; and to enhance the prosperity and economic competitiveness of all regions, compatible with community and environment.

Among the resources outlined in Table 5, there are two that contribute significantly to the commonwealth's affordable housing stock: the Low Income Housing Tax Credits, and the state's public housing portfolio.

Low Income Housing Tax Credit Use

In Massachusetts, DHCD is the tax credit allocating agency, through the Division of Housing Development. The Division also oversees approximately \$95 million annually in other federal and state affordable housing programs, including the federal HOME program, ensuring a coordinated approach to resource allocation.

A complete description of the LIHTC program can be found in the 2010-2014 Consolidated Plan. The Qualified Allocation Plan (QAP), as amended in 2012, which establishes the priorities and policies under which the commonwealth distributes tax credit funds, is available on the DHCD website: <http://www.mass.gov/hed/docs/dhcd/hd/lihtc/finalamened2012qap.pdf>

Public Housing

While no Massachusetts state agency administers federal public housing funds, DHCD does oversee and fund a portfolio of approximately 48,000 state-aided public housing units that are owned and operated by 242 local housing authorities (LHAs). Within DHCD, the Bureau of Housing Management provides both fiscal and management oversight of the LHAs. The bulk of the state's public housing was built between 1948 and the late 1980's, and in the 1990's to 2007, suffered from chronic underfunding and neglect. The Patrick Administration is in the process of reversing the effects of that neglect, and for FY2012 has committed approximately \$90 million to improving and upgrading public housing stock.

In January, 2012, Governor Patrick signed Executive Order 539, "Establishing a Commission for Public Housing Sustainability and Reform," that was charged with "developing recommendations for the sustainability and reform of public housing authorities and the portfolio of state aided public housing that will ensure the long-term viability of public housing as an affordable housing resource, including the reform of the statutory governance structure with a goal of creating a practical, cost-effective and modern regional governance structure." An update on the Patrick-Murray Administration's reforms to state public housing can be found at: <http://www.mass.gov/hed/docs/dhcd/ph/ph-reform/updateonpatrick-murrayadministrationreformsto.pdf>.

A complete description of the public housing initiatives, including the Moving to Work (MTW) Program undertaken by DHCD is in the 2010-2014 Consolidated Plan. The Draft FY2013 MTW plan is available at <http://www.mass.gov/hed/docs/dhcd/ph/mtw/fy13movingtoworkdraftplan.pdf>

Institutional Structure and Coordination

The overall institutional structure and coordination is detailed in Section 4 of the 2010-2014 Consolidated Plan. The 2013 Action Plan reflects the continuing cooperative participation of the many state agencies, municipalities, and non-profit housing and service providers whose efforts are essential to its success.

Implementation of the One Year Plan is carried out by dozens of state agencies, departments, and quasi-public entities, working in concert with a network of for-profit and non-profit service providers and developers and the 351 cities and towns of the Commonwealth of Massachusetts.

Initiatives to Overcome Gaps in the Delivery System

Some fundamental aspects of the structure of state and local government will continue to pose challenges, as discussed in the section on Barriers to Affordable Housing in the 2010-2014 Consolidated Plan. Massachusetts is a home rule state, and most government activity is localized in its 351 cities and towns, 60 percent of which have fewer than 10,000 residents, including one-third with fewer than 5,000 residents. Many small towns cannot afford to have professional community development and planning staff, and this lack of capacity makes the efficient delivery programs and services challenging. The State establishes uniform building standards and safety codes and establishes the framework for local zoning and subdivision control laws; implementation and enforcement, however, rests with the municipalities. The manner in which localities interpret and exercise them influences what gets built and where. A long and strong tradition of local autonomy also makes it difficult to plan initiatives across the political boundaries of small Massachusetts communities.

To overcome these gaps and challenges, EOHED and DHCD encourage regional cooperation among municipalities and the use of regional and other professional entities to facilitate the administration of programs and to overcome some of the limitations imposed by the small scale of some localities and their governments. DHCD and other state agencies will also continue to provide technical assistance and training for municipal officials to increase local capacity. Chapter 40B of the Massachusetts General Laws, the comprehensive permitting legislation, has historically been an important tool for building affordable housing in communities that do not have at least 10% of the housing stock on the state's Subsidized Housing Inventory. The Office of Sustainable Communities in DHCD offers workshops for municipalities on how to use the Chapter 40B affirmatively to shape affordable housing development, and recent regulatory changes have clarified and strengthened sections of the law.

Restrictive zoning is an issue in many suburban communities. Chapter 40R, the Smart Growth legislation, provides financial incentives to municipalities to zone and plan for affordable housing development. The Patrick administration has submitted a major amendment to the state's zoning legislation, Chapter 40A, that would encourage proactive planning for housing and economic development. The Priority Development Fund is a resource for the development of Housing Production Plans, which offers another incentive for incorporating affordable housing development into a municipality's overall growth plan.

Also, DHCD will continue to improve its outreach, information dissemination, and partnerships with and among all of its constituencies. The 2010-2014 consolidated planning process typified some of the improvements, for example, greater use of the internet for notices of grant availability, program descriptions, guidance and technical assistance, useful demographic and economic information in a user friendly format, and regulatory changes.

Fundamental aspects of the structure of state and local government which is composed of 351 municipalities – will continue to pose challenges, which the state will seek to address through outreach, technical assistance,

incentives, and cooperation. Making the best use of the institutional structure where it is strong and strengthening it where it is weak, the state will continue pursuing its housing and community development plan.

DHCD is in the process of updating the Analysis of Impediments, which was last done in 2007. The Fair Housing Advisory Panel has been reconvened, and expects to have recommendations by the end of this year. The section of the *Analysis of Impediments* addressing barriers to affordable housing can be found at <http://www.mass.gov/hed/economic/eohed/dhcd/legal/fair-housing-and-civil-rights-information.html>

Appendix A: Citizen Participation and Comments

Public Comment Period: May 3, 2013 – June 3, 2013

Public Hearings: Wednesday, May 29, 2013, 10:30 – 11:30 am
Worcester Union Station
2 Washington Square
Union Hall, 2nd Floor
Worcester, MA 01604

Public Hearing Attendees:

MJ Adams, Franklin County Regional Housing & Redevelopment Authority
Kevin Kennedy, Town of Orange
Jane Kudcey, Town of Middleborough
Bill Roth, Town of Fairhaven
Kerin Shea, Town of Hudson

Written Comments/Testimony Received:

Massachusetts Association of Community Development Corporations (MACDC)
Pine Street Inn

Summary of Comments Received and Responses:

CDBG Economic Development Fund (EDF): Comment expressed that there is inconsistency regarding the use of CDBG EDF funding for business technical assistance.

- **Response:** DHCD has addressed this inconsistency in the final version of the FY2013 Annual Action Plan.

CDBG Mini-Entitlement Program: Comments expressed that DHCD reconsider the designation of certain cities and towns as Mini-Entitlements not subject to competitive funding.

- **Response:** DHCD has previously committed to re-examining the Community Wide Need (CWN) scores and the calculation methodology for determining Mini-Entitlement communities when new low- and moderate-income data is released by the U.S. Department of Housing and Urban Development (HUD). HUD's data has not yet been released.

HOME Program: Comment expressed that DHCD consider accepting applications for project-based homeownership in the FY2013 program year.

- **Response:** DHCD does not anticipate awarding new HOME project-based homebuyer funds in the coming program year, as rental projects continue to be a programmatic priority.

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Program Specific Requirements

HOME Investment Partnerships Act (HOME) Program

MASSACHUSETTS HOME PROGRAM

ONE-YEAR ACTION PLAN FOR FEDERAL FISCAL YEAR 2013

The Department of Housing and Community Development will receive an allocation of \$6,602,985 in HOME funds in federal fiscal year 2013. This amount reflects an 8% decrease from DHCD's actual 2012 HOME allocation. DHCD plans to reserve 10 percent of the HOME allocation for administrative purposes, and award the majority of the remaining \$5,942,686 through competitive funding rounds and, in certain circumstances, readiness-based rolling submissions.

While the HOME Proposed Rule has not yet been finalized, we expect that it will happen early in our 2013 program year. We will make sure any new requirements are being met, by updating program policies and procedures as needed. There were several additional requirements associated with 2012 HOME allocation funds, as noted in the House Congressional Record on November 14, 2011:

- Projects funded by DHCD with HOME must be completed within 4 years of the commitment of funding date with the possibility of a one year extension. If the project is not completed within this timeframe, HOME funds invested in the project must be repaid for those units not completed.
- No 2012 funds may be committed to any project unless DHCD certifies that it has conducted an underwriting review, assessed developer capacity and fiscal soundness and examined neighborhood market conditions to ensure adequate need.
- HOME assisted first-time homeownership units that are not sold within 6 months of completion will be converted to rental units for eligible participants. DHCD does not expect to use any of its 2012 allocation for homeownership purposes.
- DHCD will also assess a Community Housing Development Organization's capacity and staff development experience before awarding HOME funds and will not provide funds to an organization whose staff does not have development experience. In addition, those funds that were previously allocated for technical assistance for CHDO's and remain available, may be used for future HOME technical assistance.

We will continue to incorporate the 2012 HOME funding guidelines as we proceed with 2013 funding.

DHCD will continue to award its rental funds through a competitive RFP process. However, DHCD reserves the option to make rental funds available on a rolling basis with clear readiness standards for projects that will serve low- and extremely low-income homeless families and individuals and low- and extremely low-income veterans. DHCD will award federal fiscal year 2013 HOME program funds to the following program type: multi-family rental loans. Eligible applicants for HOME funds are municipalities, non-profit agencies (including CHDOs as defined by HUD), and for-profit developers. Note: a minimum of 15 percent of the federal FY 2013 allocation will be reserved for CHDOs serving as owners, sponsors, or developers of rental production projects. The Undersecretary of DHCD reserves the right to consider geographic distribution in making funding decisions for the 15 percent CHDO set-aside. DHCD will continue to encourage CHDOs to participate in the HOME program and will provide HOME technical assistance that will be available to CHDO staff, as well as others.

Allocation of Funds

DHCD will continue its past practice of seeking to competitively award HOME funds in those areas of the Commonwealth that do not receive HOME funds as a result of entitlement community or HOME consortium

designation. DHCD also will competitively award HOME funds for rental loan projects in entitlement communities that provide a match for DHCD administered HOME funds.

During federal FY 2013 DHCD anticipates the following approximate amounts will be awarded through a competitive RFP process, depending upon the level of demand in each program category:

- \$5,942,686 - rental loan program
- n/a- project-based first-time homebuyer program
- n/a– purchaser-based first-time homebuyer program

Evaluation Criteria for HOME Projects

DHCD will continue to competitively award HOME funds for Rental Loan activities. Certain rental submissions may be assessed on a rolling basis. HOME entitlement communities must provide a match for projects seeking DHCD-administered HOME funds.

The following criteria are used to evaluate projects:

- strength of overall concept
- strength of development team, including demonstrated capacity and evidence of good standing
- demonstrated need for project in the target neighborhood
- evidence of marketability and affirmative fair marketing plan included in proposal
- adherence to sustainable development principles
- suitable site and design, including appropriateness with regard to green building standards and increased accessibility
- appropriate scopes of rehabilitation or construction
- appropriate efforts to address energy conservation
- appropriate total development costs for properties included in proposal
- financial viability and sustainability of the project, including evidence of minimal, yet sufficient, utilization of HOME assistance
- degree of local support, including local funding commitments
- evidence of readiness to proceed
- evidence of satisfactory progress on previously funded projects.
- adherence to the general requirements of DHCD's current Qualified Allocation Plan
- CHDO-sponsored projects

The following terms and conditions apply to all HOME competitively awarded multi-family rental projects:

Terms and Conditions: Multi-Family Rental Projects	
Eligible Borrowers	For profit developers; non-profit developers; non-profit organizations designated as CHDOs; municipalities in cooperation with any of the above.
Eligible Activities	Acquisition and/or rehabilitation of existing structures for multi-family rental use, including distressed or failed properties, or the new construction of multi-family rental projects. Minimum project size of 5 HOME-assisted units.
Maximum Loan Amount	Typically, DHCD will award up to \$750,000 to \$1,000,000 per project and up to \$50,000 per HOME-assisted unit in HOME entitlement/consortium communities. In non-entitlement or non-

Terms and Conditions: Multi-Family Rental Projects	
	consortium communities, the maximum loan is up to \$65,000 per HOME-assisted unit. We reserve the option to increase the per unit amounts for family projects located in gateway communities or areas of opportunity.
Match Requirement	Projects located in HOME entitlement or consortium communities should include a commitment of local funds. Local match also will be anticipated in CPA communities. If an application is submitted without a match, it may not be scored. In general, preference will be given to applications with full match commitments.
Cost/Fee Limits	Projects with Total Development Costs in excess of \$165,000 per unit may not be scored. Developer Fee + overhead may not exceed 12.5% of a project's Total Development Cost (with the exception of applicants also seeking LIHTC).
Security	All HOME loans will be secured by a mortgage on the property. HOME funds are often subordinate to other loans; the subordinate position will depend upon the financial structure of the deal.
Affordability	All units receiving HOME assistance must be occupied by households earning no more than 60% of the area median income and affordable to households earning 65% of the area median income. At least 20% of the HOME units must be occupied by and affordable to households earning no more than 50% of area median income. The minimum HUD HOME period of affordability will be met, with an extended local period of affordability.
Holdback Feature	DHCD provides HOME funds through a simple requisition process and holds back a minimum of 10% of the HOME award until the project is substantially complete.
Term of Loan	Typically, loans will be for 30 years. During the final year of a loan, the owner may request an extension of up to 30 years in order to maintain the affordability of the housing. Typically, HOME funds are structured as repayable deferred loans; in some cases, DHCD may require regular payments from a project's cash flow.
Recourse	The loans will be non-recourse.
Interest Rate	Generally, DHCD HOME loans are deferred payment loans with zero percent interest rates. DHCD reserves the right to assign a higher rate of interest to any HOME loan. HOME loans to projects receiving allocations of Low Income Housing Tax Credits are typically made at the Applicable Federal Rate (or higher) as required by the Tax Credits program.
Debt Coverage Ratio	DHCD expects HOME projects to have minimum debt coverage ratios of approximately 1.15 in year one.

Terms and Conditions: Multi-Family Rental Projects	
Environmental	An ASTM Phase One environmental site assessment must be completed and submitted for each property within the project, either with the application or as part of the loan closing. All HOME projects are subject to the applicable requirements of 24CFR Part 58.
Lead Paint Requirements	HUD Federal lead-based paint regulations at 24 CFR Part 35 apply to all projects that are awarded HOME monies.
Section 3 and M/WBE Requirements	All HOME projects must meet Section 3 and M/WBE provisions, including appropriate outreach.
Energy Star, Sustainability and Other Green Measures	All new construction must meet Energy Star standards. Any rehabilitation must meet Energy Star standards to the greatest extent feasible for the project. DHCD also expects projects to consider greening and sustainability to the maximum extent possible; all proposals must follow the guidelines as outlined in the Commonwealth's Qualified Allocation Plan.
Accessibility for Persons with Disabilities	For the new construction of any units or the substantial rehabilitation of 15 or more units of multi-family housing, Section 504 requires that 5% of the units (but not less than 1 unit) be accessible to individuals with mobility impairments and an additional 2% of the units (but not less than 1 unit) be accessible to individuals with sensory impairments. For moderate rehabilitation of 15 or more units, Section 504 also requires to the maximum extent feasible that the units be accessible to and usable by individuals with disabilities.
Good Standing at DHCD	Applicants for HOME funds, including all members of their development teams, must be in good standing with DHCD with respect to other DHCD-assisted projects.
Application Fees	The application fee for non-profit developers is \$450 per project; the fee for for-profit developers is \$1,250 per project. For projects seeking DHCD tax credits, only the tax credit application fees apply.

While we do not anticipate accepting project-based ownership project applications, the following criteria are used to evaluate first-time homebuyer projects:

- strength of overall concept
- strength of development team, including demonstrated capacity and evidence of good standing
- demonstrated need for project in the target neighborhood
- adherence to sustainable development principles
- suitable site and design, including attention to green building standards and increased accessibility
- appropriate scopes of rehabilitation or construction
- appropriate efforts to address energy conservation
- appropriate total development cost for properties included in proposal, including evidence of minimal utilization of HOME assistance
- appropriate sales prices and affordability analyses included in proposal
- evidence of marketability and buyer selection plan included in proposal

- degree of local support, including local funding commitments
- evidence of readiness to proceed
- evidence of satisfactory progress on previously funded projects.

First-time Homebuyer Resale or Recapture Provisions and Resubordination Policies

DHCD does not anticipate awarding new HOME project-based homebuyer funds in the coming program year, as rental projects continue to be a priority. Regardless, DHCD has availed itself of the opportunity to do a review of its homeownership loan documents. Over the past several years, DHCD formed a work group with some of our key development partners, counsel and one of our HOME TA partners for the purpose of developing new model homeownership loan documents. We have reviewed certain HOME models and have developed a resale restriction that has been sent to HUD for approval. We also are soon to submit to HUD two recapture restrictions for use in different market areas; a recapture model with a declining balance is intended for use in more up-and-coming/gateway areas and a recapture model with shared appreciation is intended for use in opportunity areas. The resale restriction would be used in communities where the locality requests it, generally in high market areas. While we do not plan to use DHCD HOME funds for new ownership endeavors, we recognize that these model documents may be helpful to other participating jurisdictions and for other funding programs. We would like to use the approved resale restriction with existing resale-restricted unit sales, pending consent of any existing fellow lenders. Upon HUD approval of the resale document, we will submit a Consolidated/Action Plan amendment proposal for use of the restriction with the resale of HOME-assisted units.

DHCD does not anticipate awarding new HOME purchaser-based homebuyer funds in the coming program year, as the smaller HOME allocation has limited our ability to extend the DHCD program beyond rental housing. Should we plan to revisit purchaser-based homebuyer assistance, the restriction would continue to call for recapture only. “Recapture” for purchaser-based assistance has a five-year restriction and the maximum assistance amount is limited to the lesser of: 5 percent of a property’s purchase price, what is necessary based on an individual needs assessment, or \$10,000. The recapture provision works as follows: A homeowner wishing to sell a unit within five years of the date of the deed rider may sell the unit to a third party free of any restrictions as long as the assistance amount is paid to DHCD. The recapture amount can never be greater than the net sales proceeds.

We will submit a Consolidated/Action Plan amendment proposal if we pursue the use of HOME funds with any new project-based or purchaser-based ownership activity.

In general, we will resubordinate the HOME restriction when a proposed loan product is conforming, at a competitive interest rate, and in an amount that is no more than 90% loan-to-value and with ratios acceptable to DHCD. DHCD also typically consents if a homeowner is looking to reduce an interest rate and is not taking cash out of the transaction, even if the LTV exceeds 90% but is less than 100%. The new homeownership loan documents contain specific language regarding refinance consent requests.

Eligible Applicants for HOME Funding

PROGRAM COMPONENT	ELIGIBLE APPLICANTS
Rental Production	Community Housing Development Organization (CHDO) Non-Profit Developer For-Profit Developer Municipal Entity in Partnership with Non-Profit or For-Profit Developer
First-Time Homebuyer Project	Community Housing Development Organization (CHDO) Non-Profit Developer For-Profit Developer

	Municipal Entity in Partnership with Non-Profit or For-Profit Developer
First-Time Homebuyer Purchaser	Non-Profit Sponsor Non-Profit Sponsor in partnership with a Municipal Entity Municipal Entity that is <i>not</i> a HOME Entitlement or a member of a HOME Consortium

HOME Match

The resources for the HOME match continue to be the state-funded Massachusetts Rental Voucher Program and the state's Housing Stabilization Fund (both described in this section of the plan). Annual expenditures through these two programs alone are approximately \$48 million. Since states are permitted to "bank" match, that expenditure level would constitute match -- calculated at 25 cents (\$0.25) on the HOME dollar (\$1.00) -- for many years.

HOME Technical Assistance

DHCD has successfully administered four HOME Technical Assistance grants; we recently closed out the fourth, which was awarded in August 2009 based on our 2008 application with Franke Consulting Group, Mostue & Associates (now known as Davis Square Architects,) the Massachusetts Housing Partnership Fund, and FinePoint Associates. We implemented our proposal through the provision of a comprehensive array of technical assistance and training activities to communities, HOME PJs, organizations, and projects throughout the Commonwealth and across New England. DHCD also used some funds to work on MassDocs for Homeownership. DHCD does not anticipate an additional TA grant during the 2013 HOME program year.

In the coming year, we will continue to offer HOME technical assistance directly from DHCD HOME staff and through our HOME compliance monitoring contractor. Typically, we proactively share program updates and work with developers and property managers to clarify program requirements. Both the listserv and our website are effective ways to convey HOME program news, as our standard pre-HOME loan closing business meetings and pre-and post-funding round information sessions, debrief calls, memos and letters.

HOME Performance Measures

In accordance with CPD Notice 03-09, DHCD's HOME program has been working towards a method of quantifiable performance measurement. Representatives from Massachusetts participated with the national workgroup which developed the HUD Outcome Performance Measurement System, as outlined in the Federal Register, June 10, 2005. HOME staff project managers attended HUD-sponsored performance measurement training in the summer of 2006. Two of the Commonwealth's housing and community development objectives are the primary focus of the HOME program:

1. Develop and maintain an adequate supply of safe, decent housing that is affordable and accessible to residents with a range of income levels and household needs, and
2. Expand sustainable homeownership opportunities for low, moderate and middle income families.

DHCD's HOME activities generally fall under the HUD objective:

- Provide decent affordable housing.

In general, the HUD outcome for our activities is:

- Affordability.

To meet these objectives and generate this outcome, DHCD provides funding for rental production, rental rehabilitation, homeownership production and homebuyer assistance. DHCD has begun incorporating the following primary performance measures for each funding type:

Rental Production

- Number of affordable units produced for each income category
- Amount of money leveraged for the rental activity
- Number of units for households at or below 30% of area median income
- Number of units for elderly households
- Number of children under age 6 within HOME-assisted units
- Number that are accessible under Section 504
- Number of units that meet the IECC energy standards
- Of the units meeting IECC standards, the number meeting Energy Star standards
- Number of units for formerly homeless households and formerly chronically homeless households
- Number of units for former residents of public housing
- Number designated for persons with HIV/AIDS

Rental Rehabilitation

- Number of affordable units preserved for each income category
- Number of minority households assisted
- Number of children under age 6 within HOME-assisted units
- Amount of money leveraged for the rental activity
- Number of units for households at or below 30% of area median income
- Number of units for elderly households
- Number that are accessible under Section 504
- Number of units that meet the IECC energy standards
- Of the units meeting IECC standards, the number meeting Energy Star standards
- Number of units brought to lead safety standards
- Number of unit-years of extended affordability
- Number of units for formerly homeless households and formerly chronically homeless households
- Number of units for former residents of public housing
- Number designated for persons with HIV/AIDS

Homeownership Production

- Number of affordable units produced
- Amount of money leveraged for the homeownership production activity
- Number of units for households at or below 30% of area median income
- Number of units for elderly households
- Number that are accessible under Section 504
- Number of children under age 6 within HOME-assisted units
- Number of units that meet the IECC energy standards
- Of the units meeting IECC standards, the number meeting Energy Star standards
- Analysis of the HOME beneficiaries as described below
- Number of homebuyers completing pre and post-purchase counseling
- Number of households coming from subsidized housing
- Number of first-time homebuyers (all DHCD ownership units carry a first-time homebuyer requirement)

Homebuyer Assistance

- Number of homebuyers assisted
- Of the homebuyers assisted, the number that had been residents of public housing, privately subsidized housing, or of a manufactured home community.
- Number of minority households assisted
- Number of household children under age 6 within HOME-assisted units
- Number of homebuyers moving from housing with lead-based paint

FY 2013 Action Plan

- Number of homebuyers who had been homeless
- Number of homebuyers at incomes below 60%, 50%, 30%
- Number of homebuyers that had previously been in an over-crowded or substandard housing situation
- Number of homebuyers completing pre and post-purchase counseling
- Number of first-time homebuyers (all DHCD ownership units carry a first-time homebuyer requirement)

We now also ask for narrative data regarding HOME residents in new or older HOME projects. We expect that DHCD's HOME Program's performance measurement standards will further evolve, as our experience with the initiative matures and HUD issues further guidance.

Program Specific Requirements

Housing Opportunities for Persons with AIDS (HOPWA) Program

MASSACHUSETTS HOPWA PROGRAM FOR FISCAL YEAR 2013

The Massachusetts Department of Public Health (MDPH) Office of HIV/AIDS administers HOPWA funds for the “balance of state.” MDPH currently uses HOPWA funds to provide housing-related technical assistance (TA) services to HIV/AIDS housing providers throughout the state. This service is provided by the Technical Assistance Program (TAP) of Victory Programs, Inc. (formerly the AIDS Housing Corporation).

This program was originally awarded funds during a statewide procurement for technical assistance services in state fiscal year 2006. Vendor selection involved a comprehensive community and internal review process. Services funded with HOPWA dollars include program support, needs assessment, and staff capacity development. The TA assists agencies to ensure sound operational policies and procedures, assure compliance with standards of care, and promote staff knowledge and skill development. Victory Programs has initiated a new project for the current fiscal year which will examine the housing needs of people living with HIV/AIDS who are aging and who are living with complex medical conditions that necessitate home-based services and/or care. It is hoped that this project will yield recommendations for improvements in the housing/long-term care/service system that promotes positive health outcomes and quality of life for individuals in need of home-based support.

In federal fiscal year 2012, the state spent \$146,000 of its HOPWA allocation for technical assistance services for HIV/AIDS housing providers statewide (as noted above). OHA conducts thorough oversight of all of its contracts. Monitoring mechanisms for technical assistance providers include a submission of an annual program work plan, annual written report, and ongoing fiscal monitoring.

MDPH-OHA reports its annual performance through the CAPER. OHA has begun a process to review its current HOPWA spending and develop a strategy for FFY 2013 to encumber more of its HOPWA funds.

Program Specific Requirements

Emergency Solutions Grant (ESG) Program

The Emergency Solutions Grant Program (ESG) funds eligible activities designed to prevent homelessness, support basic shelter operations and provide essential supportive services for homeless individuals and families specifically geared to rehousing.

In the past, Massachusetts has used ESG funds to expand shelter capacity and enhance the availability of services for homeless individuals and families, serving approximately 6,000 individuals and families in each of the last several years. The FY 2013 ESG award of \$3,482,500 in conjunction with rollover funding from FY 2012 is expected to serve at least 4,770 individuals and families in shelter operations and an additional 1,230 households through rapid re-housing and homelessness prevention services. DHCD expects to allocate ESG funds as follows:

- homelessness prevention for families and individuals (\$908,595*);
- rapid re-housing for individuals (\$1,466,934*); and,
- shelter support (\$1,626,743*).

*DHCD expects to issue 41 contracts in total for a total of \$4,002,272. The total award amount includes DHCD's FY 2013 ESG award and rollover funds from FY2012.

For FY 2013 DHCD has prioritized ESG funding for Rapid Re-Housing and Homelessness Prevention Services designating a maximum funding amount for each CoC within Massachusetts. Shelter Support responses are awarded through a highly competitive process only to shelters which adequately demonstrate a need for funding represented by unfunded beds at high capacity shelters which are low threshold and serve any homeless individual in need.

Proposed Activities and Overall Budget

Component	Planned Allocation
<i>Street Outreach</i>	<i>None</i>
<i>Emergency Shelter Renovation</i>	<i>None</i>
<i>Emergency Shelter Conversion</i>	<i>None</i>
<i>Shelter Support (Operations/Essential Services)</i>	<i>\$1,626,743</i>
<i>Rapid Re-Housing and Stabilization</i>	<i>\$1,446,934</i>
<i>Homelessness Prevention</i>	<i>\$908,595</i>
<i>HMIS</i>	<i>\$75,000</i>
<i>Administration</i>	<i>\$150,000</i>
<i>Emergency Solutions Grants Subtotal</i>	<i>\$4,227,272*</i>

*** Includes carry-over funds**

Written Standards

DHCD intends for agencies to maximize resources and requires that all organizations receiving ESG funding, regardless of component, must be part of a larger network of homeless services. Through the RFR process,

organizations were required to describe how the proposed program would partner with individual homeless shelters, domestic violence shelters, and non-EA emergency shelters within the CoC's communities to identify and assist eligible households in need of Rapid Re-housing services. Additionally, organizations requesting funding under Homelessness Prevention were required to describe how the proposed program would link to other programs that may identify and refer families who would become homeless, but for ESG, within the CoC's jurisdiction, including RAFT; HomeBase; the ICHH Regional Network; legal service organizations; Tenancy Preservation Programs; domestic violence shelters; and the appropriate DHCD Homeless Coordinators.

ESG Rapid Re-housing & Homelessness Prevention services **may not** be combined with any other rapid re-housing or prevention service, including RAFT, HomeBase, and other state or HUD funded Rapid Re-housing or Homeless Prevention programs. Therefore, organizations were responsible for identifying procedures for preventing households from receiving the same type of assistance through more than one public source at the same time.

Successful respondents of Rapid Re-housing and Homelessness Prevention services are required to track housing retention for all eligible households that received ESG financial assistance and/or services. In FY13, organizations will be required to report on housing retention at 3, 6, 9, and 12 months after housing placement or eviction prevention services are offered.

Through a formal Request for Response (RFR) process, DHCD has established written standards for administering the Emergency Solutions Grant Program (ESG) throughout the Commonwealth identified below by component. These documents will be updated to reflect changes in recordkeeping and reporting for FY13 contracts.

Rapid Re-Housing:

DHCD uses state funds to provide Rapid Re-housing services for all homeless families in EA funded emergency shelter placements through its HomeBase program. Therefore, DHCD limits ESG Rapid Rehousing to re-housing:

1. Homeless adults in emergency shelters or living in a place not meant for human habitation; and
2. Homeless families in non-EA (non – state) funded community shelter beds; and
3. Individuals or families in domestic violence shelters without access to HomeBase funds.

Organizations receiving funds for ESG Rapid Re-housing services **must** serve eligible homeless families as well as homeless individuals and may use **up to** approximately **one third** of the funding amount requested to provide assistance to eligible families residing in non-EA funded and non-federally funded emergency shelters and domestic violence shelters. In accordance with the Interim Rule, the services funded may include Rapid Re-housing services, financial assistance as needed to rapidly re-house a household, and follow-up services to assist households to maintain their housing.

Eligible participants must meet the HUD definition of homelessness defined by the ESG Interim Rule. In addition, DHCD further defines eligibility for Rapid Re-housing services as a homeless individual in an emergency shelter, a family in non-EA funded emergency shelter or domestic violence emergency shelter, or an individual or family living in a place not meant for human habitation. Under DHCD's standards, Emergency Shelter:

- Does not include transitional shelter programs or transitional housing;
- Is a low threshold shelter meaning the shelter guest does not have to meet any particular criteria other than being homeless with no place else to go, and agree to comply with basic shelter safety rules. Shelter guests cannot be required to participate in services, other than housing search and placement, as a condition of staying at the shelter. Shelters specifically designed to serve families fleeing domestic violence are exempt from this requirement.

- Is an emergency shelter where guests do not have to sign an occupancy agreement or program participation agreement to access the shelter.

DHCD ESG sub-recipients are required to determine and document the ESG eligibility of each household prior to providing services and must comply with the record keeping requirements per 24 CFR part 576.500.

Additionally, DHCD has established that the maximum amount of assistance available to a household moving from an emergency shelter or place not meant for human habitation into housing where **no publicly funded rental assistance** is available shall not exceed **\$4,000** in a 24 month period. The maximum amount of assistance available to a household moving into a housing unit where **publicly funded rental assistance** is expected to be available shall not exceed **\$2,000** in a 24 month period.

Eligible costs include third party payments for one or more of the activities cited in Sections 576.105 and 576.106 of the ESG Interim Rule, to the extent necessary to help a household move as quickly as possible into permanent housing and achieve stability in that housing. Eligible costs vary depending on whether the household is moving into housing which will have some form of publicly funded rental assistance. For a detailed description of eligible costs DHCD references 24 CFR part 576.105 and 576.106.

Homelessness Prevention:

In accordance with the Interim Rule, DHCD ESG Homelessness Prevention funds may only be used to serve households which:

1. Have income below 30% of the applicable Area Median Income (AMI) at time of intake; and
2. Are not eligible for Emergency Assistance (EA). EA eligibility criteria can be found at 106 CMR: 309.020. These standards are posted at www.mass.gov/dta and can be viewed by selecting the *Program Eligibility Charts and Tables* link under Key Resources; and
3. Are currently housed and have received a Writ of Summary Process³; or
4. Are currently fleeing, or are attempting to flee, domestic violence which occurred in the last 30 days and in accordance with the HUD ESG Interim Rule; and
5. Lacks resources and/or support networks, e.g., family, friends, faith-based or other social networks.

Organizations receiving funds to provide homelessness prevention services **must** serve eligible individuals in addition to families. Up to approximately **one third** of the funding amount requested must be used to serve eligible individuals. The services funded through DHCD's ESG program must be for "eviction prevention" and shall include case management services and/or financial assistance as needed to prevent episodes of homelessness.

DHCD has set aside **\$210,000** for eligible Tenancy Preservation Programs which have agreed to integrate services within the network of prevention programs within a Regional Network and CoC.

The costs of Homelessness Prevention services are eligible only to the extent that the assistance is necessary to help the household regain stability in their current permanent housing or move into other permanent housing and achieve stability in that housing.

DHCD has established that the maximum amount of assistance available to a household residing in or moving to a unit where **no publicly funded rental assistance** is available shall not exceed **\$4,000** in a 24 month period. Additionally, the maximum amount of assistance available to a household residing in or moving to a unit where **publicly funded rental assistance** is expected to be available shall not exceed **\$2,000** in a 24 month period.

³ DHCD will not require a judgment or execution order, however a 14 day 'Notice to Quit' will not suffice

Eligible costs include third party payments for one or more of the activities cited in Sections 576.105 and 576.106 of the Interim Rule, to the extent necessary to prevent eviction and stabilize a household. Eligible costs vary depending on whether the household is moving into or residing in housing which will have some form of publicly funded rental assistance. For a detailed description of eligible costs DHCD references 24 CFR parts 576.105 and 576.106.

Prior to authorizing any third party payments with ESG rental assistance funds, organizations must obtain the required documentation specified in the ESG Interim Rule and by DHCD; ensure the housing unit identified for the individual meets HUD habitability standards and verify the rent is reasonable in accordance with HUD's rent reasonableness standards (24 CFR Part 576.105).

ESG sub-recipients must require that all households receiving Homelessness Prevention services participate in housing stability case management not less than once per month while enrolled in the program to ensure long-term housing stability. Additionally, sub-recipients must re-evaluate a household's eligibility, and the types and amounts of assistance the household needs, not less than once every 3 months for households receiving homelessness prevention assistance, in accordance with 24 CFR 576.401(b).

Shelter Support

DHCD has established the following 3 sub-components within Shelter Support:

- Non-EA funded family beds currently funded by DHCD through ESG
- Non-state or federally funded individual beds
- Non-state or federally funded family beds for families currently fleeing domestic violence

Unfunded beds are beds that are funded solely through local, regional and/or statewide fund raising, charitable donations, and/or through private foundations and for which no state or federal funds are currently received.

Non – EA Funded Family Beds

DHCD is only funding responses from organizations which have a SFY 2013 contract to administer ESG funds for non-EA family emergency shelter beds. No new requests for DHCD ESG funds for non-EA family emergency shelter beds were accepted by DHCD, enabling the Commonwealth to create and fund a sub-component for emergency shelter for families fleeing DV. Non – EA funded family beds are available to all non-EA eligible families in need of emergency shelter provided that the head of household agrees to:

- comply with basic safety shelter rules; and
- work with staff to develop and comply with a rapid re-housing plan

Non-state or Federally Funded Individual Emergency Shelter Beds

DHCD has limited funding to new or existing unfunded emergency shelter beds which accept all homeless individuals. DHCD has established that new and/or unfunded individual emergency shelter beds will be funded at a rate not to exceed \$25 per night per bed.

ESG shelter support funds are only awarded to respondents that operate low threshold emergency shelters with unfunded beds that accept any homeless person in need who can safely be admitted, without a requirement to participate in any program activities, provided that the individual agrees to:

- comply with basic safety shelter rules; and
- work with staff to develop and comply with a rapid re-housing plan.

Emergency Shelter for Families Currently Fleeing Domestic Violence (DV)

DHCD has set aside up to **\$475,000** under the Shelter Support component for the creation of short term emergency shelter rooms for families currently fleeing domestic violence. These funds are only awarded to DV shelters with unfunded rooms that will use them to accept families with no place else to go and that are currently fleeing or attempting to flee domestic violence (DV incident must have occurred within the last 30 days), provided that the head of household agrees to:

- comply with the shelter's safety and confidentiality rules; and
- work with staff to access services as needed and develop and comply with a rapid re-housing plan.

DV beds are to be funded at a maximum of 120 nights per family at a maximum rate of \$80 per night per family. DHCD's goal is to work with organizations experienced in working with victims of domestic violence, which will be able to create short term stays, so that the organization can assess the household's needs and increase the household's ability to return safely to housing within the community or determine and facilitate the most appropriate placement for the family if a safe return to housing in the community is not possible.

Additionally, all family rooms must be able to keep the family household intact. Units could be established in a new location other than an existing emergency shelter for ESG funded domestic violence family rooms, if necessary.

Eligible Costs under Shelter Support

Eligible shelter support operations costs are those costs associated with creating and/or operating new or unfunded emergency shelter beds or rooms for homeless individuals or families in high need areas. Funding for shelters staff was capped at 50% of the requested budget amount. Requests for rehabilitation of shelter facilities to create new community beds were not eligible under the ESG RFR published by DHCD. However, one-time costs for painting, repairs, beds, etc. were considered. DHCD allows ESG funding to be used for the following expenses:

- Maintenance
- Insurance
- Utilities
- Rent
- Program Supplies (mats, linens such as bedding, towels, etc.)
- Repairs
- Fuel
- Food
- Durable goods for use in temporary emergency shelters such as furniture, washers, dryers, refrigerators, and freezers.
- Shelter Staff (up to 50% of budget)

Organizations requesting funding under Shelter Support were required to include verification of unfunded expenses with their response to demonstrate that they are eligible costs under the RFR and 24 CFR 576.102 (3). Examples of acceptable documentation include a copy of the lease for the shelter facility, the insurance policy for the shelter facility, utility bills for the facility, etc. Organizations were also required to submit a letter from the Chief Financial Officer of the agency or other senior staff within the agency to document projected costs not currently being met by other sources of income for other eligible shelter expenses such as food, fuel, and repairs. A budget narrative for each unfunded budget line item was submitted with an explanation of the items included within the line item and where the reason for an item(s) isn't clear, an explanation of why the item(s) is needed to create or operate the shelter beds.

Ineligible Shelter Support Costs:

DHCD does not allow ESG funds to be used for:

- Costs associated with operating transitional shelter programs, transitional housing programs, or permanent housing programs.
- Recruitment or training of staff.
- Depreciation.
- Entertainment, time or travel, lodging or fees for attending conferences or retreats.
- Public relations or fund raising.
- Bad debts/late fees.
- Costs associated with the organization rather than the ESG portion of the shelter (i.e. membership dues, trade journal subscriptions.).
- Mortgage or rental costs to a respondent or a respondent's subcontractor which has ownership or other financial interest in the facility or who has a subsidiary with ownership or another financial interest in the facility. **Note:** a landlord may not be the respondent or a subsidiary of the respondent and is not considered a subcontractor.
- Advocacy, planning, and organizational capacity building.
- Purchase of a vehicle to provide transportation.

Centralized or Coordinated Intake System

The Commonwealth currently has a centralized and coordinated intake system in place for all families who are at imminent risk of becoming homeless, and/or are currently homeless in need of emergency shelter through our Emergency Assistance and HomeBase programs.

CoC's within the Commonwealth are in various stages of establishing a centralized and coordinated assessment system for their respective CoC's. DHCD has determined that for ESG programs to be successful, the programs and services must be part of a larger network of resources. Therefore, to be eligible for ESG funding, sub-recipients are required to demonstrate how their program will work with other mainstream organizations and service providers to connect their program participants to available services across the Commonwealth. ESG services are provided in close coordination with other services funded by the Commonwealth, including Rental Assistance for Families in Transition (RAFT) & HomeBase, to ensure that no family is left without the necessary resources to prevent homelessness or receive immediate access to emergency shelter and/or rapid re-housing services. DHCD has further identified the need for connecting families experiencing Domestic Violence with emergency housing services and has made a significant effort to offer shelter and rapid re-housing services to these families with FY13 ESG funding.

State ESG officials distribute information about Federal and State policies relevant to homeless families and individuals to all homeless services providers, Regional Networks, and CoC's on a regular basis. State officials attend and convene local and regional gatherings on occasion, and communicate regularly with ESG Entitlement Communities to help coordinate ESG activities as appropriate throughout the Commonwealth. Additionally, for FY13 organizations responding to DHCD's ESG RFR that offer services within an ESG Entitlement Community were required to communicate with and to provide written confirmation from the Entitlement Community for which it offers services verifying that DHCD ESG funding within the community would not duplicate, but rather enhance existing services. ESG Entitlement Communities were also required to sign a statement showing support for the proposed DHCD ESG program.

Consultation with each CoC

Throughout FY12, DHCD has been in contact with the 19 CoC's throughout the Commonwealth to discuss and receive feedback on changes which might improve existing ESG programs. Recommendations were taken to

help ensure coordination between state and local ESG grantees and to address the CoC's most critical needs with the end goal of ensuring that ESG services are available to those most in need across the state.

In order to ensure a manageable number of ESG contracts and prioritize funding to those most in need, DHCD consulted with each CoC to determine which type of ESG service, rapid re-housing or homelessness prevention, was a greater need in its community(s). DHCD conversed with each CoC lead agency that then communicated with the entire CoC and provided feedback to DHCD about which service DHCD funds were most needed for. CoC's requested guidance from DHCD for the amount of ESG dollars they should request. In response, DHCD used the number of homeless individuals and families across each CoC to develop the following funding and needs matrix.

CoC	Ind.	Fam.	Hotels	CoC Total	% of homeless HH's	CoC Option	Maximum Amount to Request
New Bedford	39	28	0	67	5%	Prevention	\$50,000.00
Somerville	47	21	0	68	5%	Prevention	\$50,000.00
Malden/Medford	0	19	84	103	8%	Prevention	\$70,000.00
Cambridge	165	26	0	191	14%	Prevention	\$130,000.00
Berkshire/ Franklin, Hampshire County	41	145	19	205	15%	Prevention	\$140,000.00
Brookline/Newton	57	11	163	231	17%	Prevention	\$160,000.00
Massachusetts Balance of State	122	155	187	464	35%	Prevention	\$260,000.00
Total Prevention				1329	100%		\$860,000
Cape Cod Islands	87	61	0	148	3%	Rapid Re-housing	\$50,000
Fall River	30	23	0	53	1%	Rapid Re-housing	\$40,000
Lawrence	66	7	0	73	2%	Rapid Re-housing	\$50,000
Attleboro/Taunton/Bristol County	30	36	0	66	1%	Rapid Re-housing	\$40,000
Lynn	42	88	0	130	3%	Rapid Re-housing	\$50,000
Lowell	100	93	0	193	4%	Rapid Re Housing	\$70,000
Quincy/Weymouth	119	29	68	216	4%	Rapid Re-housing	\$70,000
Worcester City & County	170	171	27	368	7%	Rapid Re-housing	\$120,000
Brockton/Plymouth City & County	88	141	159	388	8%	Rapid Re-housing	\$120,000
Gloucester/Haverhill/Salem/Essex County	115	113	161	389	8%	Rapid Re-housing	\$120,000
Springfield/Hampden County	204	240	234	678	13%	Rapid Re Housing	\$200,000
Boston	1295	951	139	2385	47%	Rapid Re-housing	\$825,000
Total for Rapid Re-Housing				5087	100%		\$1,755,000
Totals for Combined Components							\$2,615,000
DHCD used the 2012 CoC Annual Point in Time Count for the homeless individuals and families in emergency shelter or living in a place not meant for human habitation. The number of families in hotels/motels was taken from a March 2013 Point in Time report conducted by DHCD. The more recent data for hotels/motels was used to reflect the very substantial decrease in the numbers of families being placed in hotels.							

Each CoC was responsible for identifying a lead agency to apply for funding within the component (RRH or Prevention) for which the CoC had determined DHCD funds were most needed for. Though only one application was accepted from each CoC, organizations within the CoC were encouraged to collaborate with the lead agency identified by the CoC.

Process for Allocation of Funds

Prior to the issuance of a competitive procurement, or Request for Responses (RFR), a notice of pending funding availability is accomplished through notification of state agencies' provider networks, CoC's, Regional Networks, and all known homeless service providers, and through the Commonwealth's Internet Comm-PASS system. The ESG RFR was posted in its entirety on Comm-PASS with instructions for how to submit a

Response requesting funds on April 23rd, 2013. The RFR provided potential respondents with the criteria to be used for evaluating and ranking ESG responses. Simultaneously a Procurement Management Team (PMT) was established. All responses to the ESG RFR were received at DHCD by Thursday, May 23rd at 3pm, logged and reviewed by the PMT to determine if they met the minimum qualification requirements specified in the RFR. All qualified responses received which met the minimum qualification requirements were assigned to an ESG Selection Committee for review. For FY13, five Selection Committees were established to evaluate proposed program design, performance, and compliance with HMIS. A Finance Committee was also established to review the proposed program budget and evaluate the cost of proposed services. Each Selection Committee was comprised of state employees who work with housing programs and/or homeless individuals and/or families and each Selection Committee included a state employee with significant HMIS experience.

After a thorough evaluation of each response was completed by the designated Selection Committee and the Finance Committee, the two committees met to reconcile evaluations and identify a final score and ranking for each response. The PMT then conducted a final review of the programmatic and cost rankings to determine which responses received the highest rankings and should be recommended for selection to the Associate Director of the Housing Stabilization Division. Recommendations were then reviewed by DHCD's General Council, the Associate Director for Administration and Finance, and the Director of Policy prior to being submitted to the Undersecretary of DHCD. Finally, the Undersecretary submitted the final ESG recommendations to the Governor's office that makes the final determination of selections and awards.

DHCD will announce the final ESG awards through written notification to both successful and unsuccessful bidders. Written notice provides all unsuccessful RFR respondents with the opportunity to complete a de-briefing to review their proposal and learn more about the reason their request for funding was not awarded. On completion of a de-briefing, if an unsuccessful respondent is not satisfied with the information provided they have the option to request a formal appeal to the Undersecretary of DHCD or his/her designee.

Once successful awards have been announce, DHCD will negotiate with successful bidders as needed, execute contracts, and monitor the provider's activities to assist and ensure the provider's compliance with the terms of its contract. DHCD maintains oversight responsibilities for administration of ESG grants.

ESG Performance Standards

In addition to advancing the Housing First philosophy and Rapid Re-Housing model, the Commonwealth, through our FY13 ESG programs has the following goals:

- Reduce the number of households becoming homeless and needing to be sheltered;
- Reduce the number of homeless households in shelters;
- Increase the number of very short term emergency shelter beds available to families fleeing domestic violence;
- Reduce the average length of stay at shelters receiving ESG funding; and
- Strengthen existing Continuum of Care (CoC) and ICHH Regional Network activities while increasing ESG coordination between the CoCs, the Commonwealth and state federal and local resources to reduce and homelessness.

DHCD has identified the following performance indicators for sub-recipients funded under ESG.

1. Number of households prevented from becoming homeless.
2. Number of households rapidly re-housed into permanent housing.
3. Number of emergency shelter bed nights made available to individuals and families with DHCD ESG funding.

Current FY12 ESG programs are evaluated on a quarterly basis for performance and extensive technical assistance has been provided to programs which have demonstrated an inability to meet their projected performance measures.

For FY13, DHCD has identified pre-set performance measurements for each program requesting funding which successful respondents will be required to report on to DHCD on a monthly basis. FY13 ESG programs will be monitored monthly and performance will be evaluated quarterly. Programs which are under performing will be provided with technical assistance as needed and funding may be de-obligated from those programs and re-allocated to more successful programs, if performance issues are not being addressed.

DHCD will conduct at least one on-site monitoring visit for each ESG funded program within the contract year to help ensure performance measurements are met and that each ESG program is abiding by the written standards for operating ESG funding.

DHCD expects that performance standards will evolve and change over time based on ongoing consultations with CoC and Entitlement Communities and policy changes at the federal, state, regional, and local level.

Development of Funding, Policies, and Procedures for the administration and Operation of the HMIS

DHCD is the lead agency administering HMIS for the majority of the 19 CoC's at no cost to user for participation. Policies, procedures, data sharing protocols, and written agreements are already in place. In accordance with guidance provided by HUD, DHCD encourages organizations to utilize the HMIS operated by their CoC. Organizations which are not utilizing the HMIS administered by DHCD sign legal agreements and data is either uploaded or synced to our HMIS which is expected to enable DHCD to run one aggregate APR to monitor programs and run one aggregate report to complete the ESG CAPER for HUD.

Domestic violence and legal aid agencies which receive ESG funding are required to utilize an HMIS comparable database which can produce an APR. DHCD provided written guidance to DV agencies, which have not received ESG or HUD funding previously, through the RFR process to help guide their planning process for implementing an HMIS comparable database. Additionally, DHCD will work closely with all DV and legal aid agencies within the first month of FY13 contracts to help ensure that comparable HMIS systems are being implemented and utilized.

As agreed upon by the CoC's, DHCD requires each ESG funded program to collect both universal and program level data on all eligible applicants receiving ESG services. Annual Performance Reports are run on a quarterly basis and submitted to DHCD for review to monitor data quality and overall program performance for FY12 contracts and will continue for FY13 contracts.

Match FFY2013

DHCD will provide the following state matching funds for the ESG funds. DHCD plans to retain (HMIS and Administrative Costs) and plans to award the following to successful respondents to its competitive ESG procurement: Shelter Support, Rapid Re-Housing and Homeless Prevention.

▪ Component	▪ Match Amount	▪ Source: Use of Match
HMIS	\$183,000	▪ DHCD: \$183,000 in state matching funds are expected to be available July 1, 2013 through a state appropriation which funds DHCD's current contracted costs with its software vendor for DHCD funded homeless service providers operating emergency shelters for both homeless families and individuals.

		These contracted costs HMIS user software, software technical support, and minor programming edits; back up, recovery and repair of data and minor data field customizations for a variety of purposes; and the ESG proportionate share of contracted costs for: servers, completing data uploads, and other HMIS administrative activities.
Administrative Costs	\$300,000	<ul style="list-style-type: none"> ▪ DHCD: \$253,050 in state matching funds are expected to be available July 1, 2013 through the state appropriation funding DHCD's administrative costs including: the existing 3.15 FTE's assigned to handle current ESG activities. These staff include the following positions: ESG contract manager, contract specialist, budget analyst, finance manager, federal program manager and accounts payable staff, plus fringe, training, equipment (hardware and software), overhead, space, and other ESG eligible costs incurred in the administrative management of ESG. The primary functions of these staff are developing DHCD's Request for Responses, managing the competitive procurement process, executing contracts and amendments with vendors, managing provider invoicing and payments through the state accounting and payment system, MMARS, performing IDIS activities, and ensuring the accurate and timely draw down of ESG funds after reconciliation with MMARS. DHCD plans to use the \$100,000 under ESG which does not need to be matched under this component. ▪ DHCD: \$46,950 in state matching funds are expected to be available July 1, 2013 through the state budget appropriation which will support for contracted staff (McKinney Vento Specialists) to assist DHCD in meeting its obligations under the ESG Interim Rule.
Shelter Support	\$3M	<ul style="list-style-type: none"> ▪ DHCD: Funds allocated by the MA legislature on July 1, 2013 to DHCD for SFY'14 are \$40.5M for Homeless Individual Emergency Shelters Account. These funds support the operating costs and shelter staffing for the 3,058 individual shelter beds which DHCD funds. DHCD's ESG Shelter Support dollars are focused on those beds primarily for homeless individuals who are not funded by DHCD or another state or federal funding source. The ESG funded beds are generally emergency beds which are needed on a nightly basis but which are beyond the shelter's funded capacity. Until the ESG competitive procurement Shelter Support award decisions identify which emergency shelters will receive ESG shelter support funds, it is impossible to specify the exact amount of state funds available to emergency shelters which become ESG sub-recipients. The state match amount provided by DHCD in support of ESG funded shelter operations and staffing is expected to exceed \$3M in DHCD match.
Homeless Prevention	\$3M	<ul style="list-style-type: none"> ▪ DHCD: Funds allocated by the MA legislature on July 1, 2013 to DHCD for SFY'14 are \$40.5M for Homeless Individual Emergency Shelters Account. These funds support the operating costs and shelter staffing for the 3,058 individual shelter beds which DHCD funds. The state match amount provided by DHCD in support of ESG funded shelter operations and staffing is expected to exceed \$3M in DHCD match.
Rapid Re-Housing	\$3.9M	<ul style="list-style-type: none"> ▪ DHCD: Funds allocated by the MA legislature on July 1, 2013 include the Home and Healthy for Good Account for Housing First which has been increased to \$1.6M for Rapid Rehousing of chronically homeless individuals from emergency shelters. In addition, \$2.3M from the Individual Homeless Shelter Account state appropriation will be match in the form of the physical space needed for Rapid Rehousing staff to work in shelters and salaries paid by

		DHCD to existing shelter case management staff to make referrals for and maximize the income of homeless individuals in emergency shelters who are ESG participants.
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Program Specific Requirements

Community Development Block Grant (CDBG)

The FY 2013 CDBG One Year Action Plan begins on the following page.

One Year Action Plan

FY 2013

Massachusetts

Community Development Block Grant Program



Commonwealth of Massachusetts

Deval Patrick, Governor

Department of Housing and Community Development

Aaron Gornstein, Undersecretary

FY 2013 One Year Action Plan - Preface

The U.S. Department of Housing and Urban Development (HUD) requires the Commonwealth of Massachusetts, and all other Formula Grantees, to prepare a Five Year Consolidated Plan. The state's Consolidated Plan sets forth long term priorities for the use of funds received from HUD's Community Development Block Grant (CDBG), HOME, Emergency Shelter Grant (ESG), and Housing Opportunities for People with AIDS (HOPWA) programs, and from other state and federal sources.

The preparation of this One Year Action Plan has considered and been informed by the development of the FY 2010-2014 Five-Year Consolidated Plan. Publication of the draft Massachusetts CDBG One-Year Action Plan takes place in advance of the Five Year Consolidated Plan/Annual Update public participation schedule that incorporates the HOME, ESG, and HOPWA programs. DHCD held informational sessions on CDBG program changes considered for FY 2013 Draft CDBG One Year Action Plan in September 2012, and expects to hold formal public hearings on the overall FY 2013 Annual Update, including the One Year Action Plan in April 2013.

DHCD encourages communities to approach CDBG projects in a comprehensive and integrated manner and requires communities to target their CDBG funds to particular geographic areas in order to achieve positive change within neighborhoods. This approach is in line with HUD's emphasis on coordinating funding and enhancing communities' ability to engage in comprehensive revitalization strategies. DHCD is seeking to assess the impact of CDBG investment in distressed areas through the focused targeting of financial and technical assistance resources. DHCD is encouraging communities in their planning processes to think comprehensively about community development – to consider planning and implementing projects that promote compact development, expand housing opportunities, and demonstrate measurable change in an area.

DHCD's intent is to provide for a number of activities that concentrate investments making measurable improvements in distressed neighborhoods. Comprehensive approaches to meeting the needs of these areas should be designed to improve the physical, social and economic conditions of low- and moderate- income families and neighborhoods.

Communities are encouraged to submit applications that include activities that are integrated with one another and targeted to a particular neighborhood or geographic area. For example, we are seeking applications that include a housing rehabilitation program that is targeted to a particular area, an infrastructure or playground improvement project to be undertaken in that same area, and perhaps also social service and microenterprise technical assistance programs that will serve the residents of that same area. DHCD acknowledges that establishing such a program entails comprehensive planning and envisions that the Community Development Strategy will serve to inform this process. It is DHCD's expectation that for FY 2013, applicants will report on previous years activities funded in previously identified target areas in support of their FY 2013 applications.

Changes/Continuing Requirements in FY 2013 One-Year Plan

CHANGES

- **Timely Expenditure** - Mass CDBG requires that all applicants – including lead applicants and joint participants – who have received grants comply with a timely expenditure threshold in order

to apply for FY 2013 programs. If a joint participant has been a lead grantee in a CDBG grant, that community must meet the timely expenditure threshold in order to be included in a joint application.

For FY 2013, in order to apply for CDBG⁴ funding, a community must demonstrate, using the most recent financial status report at the time of application that 100% of all grant funds awarded for fiscal year 2010 and earlier have been fully expended, 80% of funds awarded in FY 2011 have been expended and for funds awarded in FY 2012, all required procedural clearances (environmental review, special conditions and administrative services procurement(s)) have been completed at the time of an application for FY 2013 funds. On a case-by-case basis DHCD reserves the right to waive strict compliance with this threshold for communities based on award dates and/or events beyond the control of grantees.

- **Availability of Funds** – A single community may receive no more than \$1.35 million from Community Development Fund I within in two successive program years. Economic Development and Reserves awards are not subject to the \$1.35 million cap per community. See Exhibit 2.
- **Performance** – DHCD reserves the right to incorporate the following performance criteria in its award decisions: Reduce an award to a community with an uncommitted program income balance of \$100,000 or more. Program income balances must be documented through submission of bank statements. The program income account balance in DHCD's Grant Management System must be maintained to match the bank program income account statement balances. Program income commitments must be documented through submission of award or commitment letters, appropriation language or other evidence deemed suitable by DHCD including signed contracts. Making program income funds available as part of a contingency plan will not be considered a commitment of those funds. Upon award, grantees must add the committed program income funds to the cited grant activity(ies) through the grant amendment process.
- **Grant Award Amounts** – For FY 2013 maximum grant amounts for available categories are listed below.

Category - CDF I/CDF II	Minimum Grant from Competitive Round:	Maximum Grant from Competitive Round:
Single Community	\$ 100,000	\$ 800,000/\$700,000
Single Community w/multiple targeted activities	\$ 100,000	\$ 900,000/\$800,000
Two or Three Communities (Regional)	\$ 100,000	\$ 1,000,000/\$,900,000
Four or More Communities (Regional)	\$ 100,000	\$ 1,100,000/\$1,000,000
Planning- or Design-only grants	\$ 20,000	-----

- Evaluation and Award Criteria – Applications will be scored on a 100-point system, with the potential for bonus points, as follows:

⁴ CDBG includes CDF I and II, Mini-Entitlement, and Reserves, but for the purposes of this calculation excludes EDF, Section 108 guarantees, and Bridge Financing Program. Planning-only grants of \$50,000 or less are excluded from this calculation.

CRITERION	POINTS
Community Wide Needs	35
Project Packets	65
Total	100
Regional Bonus	2 per activity
Multiple Activities/Non-CDBG	Up to 10

Regional activities – fundable activities that will serve multiple communities will receive an additional two points. Regional activities are defined as housing rehabilitation in multiple communities, social services provided to multiple communities, or shared facilities or planning/design activities that will be administered and bid centrally on behalf of regional participants.

- **MINI-ENTITLEMENT PROGRAM – Grant Award Amounts and Requirements:**

The maximum grant award is up to \$900,000. Mini-Entitlement applications will contain an 18-month implementation and cash flow plan. Min-Entitlement grantees must comply with standards for timely expenditure and available program income (see Applicant/Project Thresholds). FY 2013 Mini-Entitlement awards to Grantees that do not meet the required standards will be reduced by an amount necessary to bring the grantee into compliance.

- **Application due dates are expected as follows:**

CDF: Application due Friday, February 15, 2013
Mini-Entitlement: Application due Friday, February 15, 2013

EDF: All program components in the Economic Development Fund have rolling applications

- For FY2013, DHCD intends to review several aspects of the MA CDBG Program. The Department will evaluate possible changes to the range of activities available for funding and the requirements for requesting and using CDBG funds, including:
 - Calculation and application of Community Wide Need scores
 - Determination of eligible Mini-Entitlement communities

CONTINUING REQUIREMENTS

- **Targeted Activities** - All FY 2013 applications must propose activities that are targeted to a geographic area. Applicants will demonstrate this through an additional narrative listing the CDBG-funded activities, the target area and anticipated measurable improvements that will result. Communities with populations under 5,000 may define their entire community as a target area. Housing Rehabilitation Programs may be designed to allow up to 20% of the funds to be used for emergency purposes outside the target area.
- **Target Area funds** - If excess funds remain from a target area activity, either due to budgetary reasons or because of less demand for the activity than projected, the community must return the funds

or request DHCD approval to reprogram the awarded funds. DHCD's preference is to approve reprogramming for the following purposes and in the following order:

- Funds will be used for eligible housing activities in the target area,
- Funds will be used for eligible housing activities in the remainder of the community,
- Other existing target area activities.

If the excess funds cannot be used consistent with these preferences, DHCD will require a detailed request describing the reprogramming and may require that the funds be returned.

- **CDF I Community Eligibility** - Communities with a Community Wide Need score of 25 or 26 may choose to apply to either CDF I or CDF II, subject to the requirements of the two components. Communities can participate in only one fund for all FY12 applications. A community may not apply to separate funds in different applications.
- **Web-based grant management system** - For FY 2013, all applications will only be accepted using DHCD's web-based system. Further details and training information will be available as application materials and details are released.
- **Community Development Strategies** will continue to be evaluated to determine adequacy. The following is the list of criteria by which Community Development Strategies will be evaluated. Any grant award to municipalities with CD Strategies that do not meet the four criteria below will be subject to special conditions that address Community Development Strategy criteria.
 - a. The CD Strategy must describe the manner in which a community has identified and will accomplish projects and activities which include, but are not limited to, the subject CDBG application.
 - b. The CD Strategy must conclude with a list of projects and activities in order of the priority in which the community intends to undertake them.
 - c. The CD strategy must identify and describe the geographic target areas, if any, that are intended as the focus of community development efforts.
 - d. CDBG applications must document that a CD Strategy and its priority list were discussed at a separate public forum, meeting or hearing, held at least one (1) month prior to the submission of a CDBG application in order to allow for timely community input. Compliance with this requirement must be documented by copies of meeting announcements, attendance lists and minutes. Minutes must reflect that the CD Strategy and priority list have been presented and that discussion has occurred. Please note that, while CD Strategies are valid for a period of three (3) years, the public forum is required annually.
- **Sustainable Development Principles** - All projects must be consistent with the sustainable development principles listed in Exhibit 5. Guidance on this threshold may be found in Exhibit 6. This threshold does not apply to Public Social Services, business assistance for projects not requiring construction, or projects that eliminate a public health or safety risk (e.g., demolition of a blighted structure).
- **Bid-ready plans and specifications** - DHCD continues to require bid-ready plans and specifications for all public facilities and architectural barrier removal projects of \$100,000 or more. The standard is for the total construction cost of the project. Design development drawings

are required for public facilities and architectural barrier removal projects or equivalent site and landscaping plans for Playground/Park projects, with a total construction cost of more than \$25,000 but less than \$100,000.

- **Bid-ready Plans and Specifications** – Communities may demonstrate compliance with the existing requirement for bid-ready specifications by submitting the table of contents for the specifications and a letter signed by the project architect or engineer attesting to the fact that a complete set of specifications has been prepared and is bid-ready. Bid-ready plans must still be provided in electronic format within an application.
- **Slum and Blight Designation** - DHCD will accept documentation from communities seeking slum and blight designation for a target area on an ongoing basis, but no later than thirty (30) calendar days prior to the submission of a CDBG application for which designation is to be considered. DHCD approval of a slum and blight target area does not qualify an activity or a project proposed in the target area as meeting the national objective or other CDBG threshold criteria. Each activity or project must meet the program criteria in effect at the time of application.
- DHCD will continue to implement **HUD's Outcome Performance Measurement System**. The system incorporates the following three Objectives set forth in the Housing and Community Development Act of 1974: 1) create suitable living environments, 2) provide decent housing, and 3) create economic opportunities. The system directs applicants/grantees to select an Objective coupled with one of the following three Outcomes to help define the intent of the activity: 1) availability/accessibility, 2) affordability, and 3) sustainability - promoting livable or viable communities.
- Housing rehabilitation programs and public facilities projects are required to use **Energy Star** building performance standards in FY 2013. Those standards are found at www.energystar.gov. Streetlights installed as part of a road or streetscape improvement project must be "full cut-off" or "semi cut-off" fixtures.
- Communities seeking CDBG funds for **senior center projects** must request elderly low- and moderate-income household data from DHCD prior to submitting an application. Please contact Karen Bresnahan of the Policy and Planning Unit at (617) 573-1441 or Karen.Bresnahan@ocd.state.ma.us to request this information.

CDF and Mini-Entitlement applications may still include certain economic development-related activities, including Public Social Services activities that support economic development and downtown/commercial target area related projects and activities, which include facade/sign programs and/or streetscape improvements. Applications for downtown/commercial target area related projects and activities will not be accepted in the EDF.

- For FY 2013, the **Economic Development Fund (EDF)** will continue to offer assistance to directly support physical improvements to downtown or commercial center areas, particularly, rehabilitation of, or conversion to, affordable and workforce housing units located in downtown or commercial center areas. Housing unit rehabilitation will be limited to a maximum per unit CDBG cost of \$125,000. Such projects must be in mixed-use (residential and commercial use) buildings. The entire building façade must be appropriately addressed, regardless of the portions of the building assisted. A mixed-use project will be limited to a maximum grant of \$750,000, plus

administration costs. For most housing project components, all federal and state grants combined shall not exceed 75 percent of total actual project costs. Other physical improvement projects must be located in downtown/ commercial center areas, with emphasis on mixed-use development. EDF will also fund planning studies within certain limitations. More detailed information is contained in the One Year Plan and EDF Application Guidance documentation.

Mini Entitlement Program - DHCD has identified 9 Mini-Entitlement communities for FY2013. These communities are required to approach CDBG projects in a coordinated and integrated manner and to target their CDBG funds to a particular identified neighborhood or target area.

DHCD expects to award up to \$8,550,000 from the FY 2013 Mini-Entitlement Program allocation to nine (9) designated Mini-Entitlement municipalities, listed below:

Chelsea	Southbridge
Everett	Wareham
Gardner	Webster
Greenfield	West Springfield
North Adams	

DHCD recalculation of Mini-Entitlement scores may eliminate communities previously qualified for designation. In such cases, communities designated as Mini-Entitlement for the previous federal fiscal year will receive transitional assistance for the following federal fiscal year. For FY 2013, DHCD intends to provide the Town of Amherst with up to \$450,000 (or up to one half of the award amount received by continuing Mini-Entitlement communities, if grant amounts are reduced) in transitional, Mini-Entitlement funding.

<p style="text-align: center;">MASSACHUSETTS CDBG ONE-YEAR ACTION PLAN FOR FEDERAL FISCAL YEAR 2013</p>

INTRODUCTION:

This One Year Action Plan describes the proposed use of Community Development Block Grant (CDBG) funding received by the Commonwealth of Massachusetts. The CDBG Program is a significant source of federal funding administered by the Department of Housing and Community Development, supporting a variety of community development efforts to revitalize our communities, meet the housing and service needs of our low and moderate-income population, build and repair infrastructure vital to the health and safety of residents, and support business development and retention. The One Year Plan addresses the basic features of the state's CDBG program, the applicable federal regulations and requirements governing state and local administration of this program, and the state's policies, administration responsibilities, and description of the program components.

In its administration of CDBG funding, DHCD is committed to:

- Programs and funding that primarily target populations of low- and moderate-incomes, and those with special needs, in communities with the greatest level of demonstrated need;
- Coordinated, integrated and balanced agency responses to address the needs and interests of communities;
- Programs and technical assistance designed to facilitate informed decision-making about community development opportunities at the local level, and to encourage self-sufficiency of residents and communities;
- Projects that are consistent with the Commonwealth's Sustainable Development Principles; and
- Sound business practices that ensure the highest standards of public accountability and responsibility.

For FY 2013, DHCD will continue to implement HUD's Outcome Performance Measurement System. The proposed system incorporates the following three Objectives set forth in the Housing and Community Development Act of 1974: 1) create suitable living environments, 2) provide decent housing, and 3) create economic opportunities. The system directs applicants/grantees to select an Objective coupled with one of the following three Outcomes to help define the intent of the activity: 1) availability/accessibility, 2) affordability, and 3) sustainability - promoting livable or viable communities. Therefore, for each proposed activity the applicant will select one of nine Outcome Statements. The proposed system will not change the nature of the program or its regulations. The Massachusetts CDBG Program currently asks applicants to describe the need the activity addresses, as well as the anticipated impact. This system creates a framework that allows for consistent reporting to HUD on a national level.

The One Year Action Plan is organized into the following sections:

- SECTION A. Massachusetts CDBG Priorities
- B. Eligible Municipalities
- C. Eligible Projects/Use of CDBG Program Funds
- D. Applicant/Project Threshold Criteria
- E. Allocation of CDBG Funds to the Commonwealth

- F. Availability of CDBG Program Funds
- G. Evaluation Criteria for All Program Components
- H. Program Sanctions
- I. Citizen Participation Requirements for Applicants and Grantees
- J. CDBG Program Components (description)

A. MASSACHUSETTS CDBG PRIORITIES

The Community Development Block Grant (CDBG Program) was authorized by Congress, and is funded under Title I of the Housing and Community Development Act of 1974, as amended. The Commonwealth of Massachusetts has designated the Department of Housing and Community Development (DHCD) as the state's administering agency for CDBG funding. The primary objective of the federal statute creating the CDBG Program is: “...to develop viable, urban communities by providing decent housing and suitable living environment and expanding economic opportunities principally for low- and moderate-income persons.” DHCD will fund eligible projects designed to meet this objective, and that are consistent with the Commonwealth’s sustainable development principles listed in Exhibit 5. DHCD encourages:

- development and preservation of affordable housing;
- proactive and coordinated planning oriented towards both resource protection and sustainable economic activity;
- coordinated, integrated community development initiatives that are targeted to neighborhoods or particular geographic areas, that meet the needs of these areas, and are designed to demonstrate measurable improvements in the physical, social, and economic conditions of the area;
- community revitalization that is integral to community development;
- public social services designed to build economic security and self-sufficiency; and
- broad local participation in meaningful community-based planning that assesses needs and identifies strategies for addressing those needs.

The Act requires that at least 70 percent of CDBG assistance shall be used to support activities that directly benefit low- and moderate-income citizens of the Commonwealth. In addition, the Massachusetts CDBG Program encourages joint or regional applications so that program funds will be used to benefit a greater number of municipalities.

B. ELIGIBLE MUNICIPALITIES

There are 351 municipalities incorporated in Massachusetts. The U.S. Department of Housing and Urban Development (HUD) has designated 37 as CDBG *entitlement* communities; in general, these communities exceed 50,000 in population and receive CDBG funds directly from HUD. Any city or town **not** designated as an entitlement community by HUD may apply for and receive Massachusetts Community Development Block Grant funds. (Refer to Exhibit 1 for a listing of Massachusetts’ entitlement communities.)

C. ELIGIBLE PROJECTS

The following projects are eligible for funding under the Massachusetts Community Development Block Grant Program:

- planning;
- housing rehabilitation and creation of affordable housing;
- economic development projects which create and/or retain jobs including awards to existing regional entities for regional economic development loan funds;
- efforts directed toward rehabilitation and stabilization of existing neighborhoods, commercial areas and downtowns;
- infrastructure;
- construction and/or rehabilitation of community facilities; and
- public social services.

DHCD has designed several Massachusetts CDBG program components to fund such projects. Each program component responds to particular community development needs. The rules and program guidelines are set forth in Section J: *PROGRAM COMPONENTS*.

LIMITATIONS ON USE OF PROGRAM FUNDS

❖ **Buildings used for the general conduct of government** – Assistance related to buildings used for the general conduct of government is specifically excluded from the program by federal statute, except for the removal of existing architectural barriers to improve access for people with disabilities. Such work is permitted on municipal buildings such as city or town halls, public works structures, public safety buildings, etc.; **however the use of CDBG funds is limited to the relevant barrier removal work and directly related and required construction.**

❖ **Public Social Services**

Public Social Services projects are not eligible as a “stand-alone” application under Community Development (CDF) I, II or Mini- Entitlement grants. Furthermore, an application will not be considered a regional application if the only activity proposed to take place in more than one of the co-applicant communities is public social service.

Public Social Services cannot exceed 20% of a CDF I, CDF II, or Mini- Entitlement grant. DHCD encourages communities to comply with the Department’s policy that fifty-percent (50%) of funding for Public Social Services support activities that build economic security and self-sufficiency. The following are Public Social Services that meet this definition:

- ABE/GED classes
- Domestic Violence Prevention
- Earned Income Tax Credit (EITC) Counseling and Preparation
- Elder Self-Sufficiency
- English for Speakers of Other Languages (ESOL)
- Financial Literacy

- Homebuyer Counseling
- Individual Development Accounts (IDAs)
- Job Training
- Job-Related Childcare Assistance
- Job-Related Transportation Assistance
- Literacy Programs and Training
- Mortgage Foreclosure Prevention Counseling

In describing a requested Public Social Services activity, applicants must demonstrate that the activities have been prioritized at the local level in order to determine the request for services. Such prioritizing must demonstrate an understanding of the needs assessment undertaken by the community's Community Action Agency and not be inconsistent with such Agency's assessment of service needs.

Applicants may apply for no more than five Public Social Services activities.

Communities must demonstrate that, in accordance with Section 105(a)(8) of the Housing and Community Development Act, proposed social service activities have not been funded by the community using municipal and/or state funds within 12 months prior to the application.

DHCD will fund public social service projects that are not provided by other state or federal agencies, or are currently provided but are not available to CDBG-eligible residents in the applicant communities.

Planning funds may not be used to plan for public social service programs except as part of a broader community development planning project.

- ❖ **Downtown/commercial target area related projects** – Communities may apply for funds for downtown or commercial district related projects under CDF I, CDF II, and the Mini-Entitlement Program. Conditions listed below apply to CDF I, CDF II, and the Mini-Entitlement Program. Such projects may include sign/facade programs and streetscape improvements, or other infrastructure improvements located in a downtown or commercial district revitalization target area that is defined in the Community-Based Planning documents and delineated in the slums and blight documentation supporting the Community Development Strategy. Communities may also apply through EDF for funds for rehabilitation or adaptive re-use of mixed-use buildings located in downtown or commercial center areas. Funds may be used for acquisition, demolition, and building rehabilitation activities when clearly linked to economic development and jobs.

DHCD may fund projects that support physical downtown and commercial area revitalization efforts; however, communities may apply to Mass CDBG for downtown/commercial target area related projects in their downtown or commercial target areas only if a) they have satisfactorily demonstrated to DHCD that the proposed project is located in an area meeting National Objective compliance requirements set forth in the Application Guidance, and b) their community development strategy (see page 5) contains a downtown or commercial area revitalization element.

CDBG funds **cannot** be used to fund overhead costs or management salaries related to the operation of a downtown organization, nor can they be used for any organizational development for a downtown organization or committee.

- ❖ **15 Year Housing Affordability Term** – In an effort to increase the supply of affordable housing, all projects supporting the creation, preservation, and rehabilitation of rental and owner-occupied housing units must be affordable to low and moderate income households for at least a 15-year period. Rehabilitation assistance for owner-occupied properties must be secured by a mortgage or lien on the subject property that includes language restricting rent levels in low and moderate income units for a minimum of fifteen years – or as long as the loan is outstanding. Rehabilitation assistance for investor-owned properties must be secured by a mortgage or lien, and the affordability requirements must be secured by an **Affordable Housing Restriction** [provided by DHCD] on the subject property that runs with the land, and that includes language restricting rent levels in low and moderate income units for a minimum of fifteen years. “Owner-occupied” is defined as a property of no more than four (4) units, one of which is occupied by the owner. All other properties are considered “investor owned.”

D. <i>APPLICANT/PROJECT THRESHOLDS</i>

It is the responsibility of the applicant to ensure adherence to the applicable threshold(s). The following standard threshold criteria (#1 through #8) apply to all applications:

1. **Eligibility** – The project must be eligible as defined in §105(a) of Title 1 of the Housing and Community Development Act, as amended.
2. **National Objective** – Each project must meet one of three federal national objectives as defined below and in federal regulations 24 CFR 570.483:
 - a. benefit a majority of low- and moderate-income persons;
 - b. aid in the prevention or elimination of slums or blight; or
 - c. meet an urgent condition posing a serious threat to the health and welfare of the community and where other financial resources are not available to meet such needs. This objective is extremely difficult to meet and is generally limited to unexpected events such as natural disasters. Prior approval from Massachusetts CDBG must be obtained to use this national objective.
3. **Timely Expenditure** – Mass CDBG requires that all applicants – including lead applicants and joint participants – who have received grants comply with a timely expenditure threshold in order to apply for FY 2013 programs. If a joint participant has been a lead grantee in a CDBG grant, that community must meet the timely expenditure threshold in order to be included in a joint application. In order to apply for CDBG⁵ funding, a community must demonstrate, using the most recent financial

⁵ CDBG includes CDF I and II, Mini-Entitlement, CDBG-R and Reserves, but for the purposes of this calculation excludes EDF, HDSP, Section 108 guarantees. Planning-only grants of \$50,000 or less are also excluded from this calculation.

status report at the time of application that 100% of all grant funds awarded for fiscal year 2010 and earlier have been fully expended, 80% of funds awarded in FY 2011 have been expended and for funds awarded in FY 2012 all required procedural clearances (environmental review, special conditions and administrative services procurement(s)) have been completed at the time of an application for FY 2013 funds. On a case-by-case basis DHCD reserves the right to waive strict compliance with this threshold for communities based on grant award dates and/or events beyond the control of grantees.

Active grants include those for which project activities have yet to be completed and payments are outstanding. All lead applicants and participating applicants must meet this standard. An applicant must meet this threshold requirement at the time of application for all Mass CDBG components. Communities that do not meet this threshold will be eliminated from further Mass CDBG funding consideration. *Unexpended CDBG funds* are defined as funds awarded for eligible Massachusetts CDBG program costs but not expended.

4. **Displacement of Non-CDBG Funds** – Applicants shall certify in the application that CDBG funds will not be used to displace non-CDBG funds already appropriated by or to the community for a specific project. DHCD will reduce an award, deny a grant, or impose special conditions in a grant contract with that community to assure compliance with this requirement.

5. **Targeted Activities** - All FY 2013 applications must propose activities that are targeted to a geographic area. Applicants will demonstrate this through an additional narrative listing the CDBG-funded activities, the target area and anticipated measurable improvements that will result. Communities with populations under 5,000 may define their entire community as a target area. Housing Rehabilitation Programs may be designed to allow up to 20% of the funds to be used for emergency purposes outside the target area.

6. **Sustainable Development** – In order to receive funding a project or activity must be consistent with the Sustainable Development principles. Additional guidance on this threshold may be found in Exhibit 6. **This threshold does not apply to Public Social Services, business assistance for projects not requiring construction, or projects that eliminate a public health or safety risk.**

In addition, housing rehabilitation programs and public facilities projects are required to use Energy Star building performance standards. Those standards are found at www.energystar.gov. Streetlights installed as part of a road or streetscape improvement project must be “full cut-off” or “semi cut-off” fixtures.

7. **Community-Based Planning Requirement** – The Department supports municipal efforts to engage in community-based planning, conduct needs assessments, and identify strategies for addressing those needs. DHCD seeks to fund projects identified through meaningful, public community-based planning and priority setting processes. Therefore projects must be consistent with community efforts to identify needs and engage in strategic planning for addressing those needs. *This helps to ensure that local needs have been identified and priorities determined in a comprehensive manner, and public resources are directed toward projects that address needs the community has identified as high priority.* All applicants and participants⁶ must have engaged in a community-based planning process and be able

⁶This includes regional applicants.

to demonstrate project consistency with a Community Development Strategy, (not to exceed seven [7] pages), that must be included in the application.

The Strategy serves to summarize various planning documents used by a community, and to outline a plan of action intended to accomplish specific community development goals that will have an impact on the community. Therefore, each Strategy can reference various planning documents approved by a locally elected or appointed body, or by Town Meeting, but *it is important that the Strategy reflect a comprehensive, integrated approach to the municipality's community development priorities*. The Strategy must also discuss how the community will plan for and implement projects that are consistent with the Commonwealth's Sustainable Development Principles.

Each activity included in a Massachusetts CDBG application must relate to and be reflected in the Strategy. The Strategy must explain how the community expects to address the priorities with CDBG and non-CDBG funds over a 3-5 year period.

The Community Development Strategy may reference or incorporate findings of relevant plans and analyses that have been completed and used for decision-making purposes by municipal boards, agencies and departments. Such plans may include but are not limited to EO 418 Community Development Plans, EO 418 housing strategies, Capital Improvement Plans, Master Plans, Downtown Plans, Open Space and Recreation Plans, Area Revitalization Strategies, Urban Renewal Plans, the regional Comprehensive Economic Development Strategy, and a Community Action Statement (CAS). The strategy must be discussed in a public forum, meeting, or hearing held at least two (2) months prior to the submission of a Mass CDBG application.

DHCD will evaluate the submitted Community Development Strategy to determine its adequacy. The Strategy must be determined to be adequate or the application will be subject to special conditions regarding the CD strategy. DHCD will use the following four criteria to make this determination:

- a. The CD Strategy must describe the manner in which a community has identified and will accomplish projects and activities which include, but are not limited to, the subject CDBG application.
- b. The CD Strategy must conclude with a list of projects and activities in order of the priority in which the community intends to undertake them, and provide specific goals and annual timelines for accomplishing its goals.
- c. The CD strategy must identify and describe the geographic target areas that are intended as the focus of community development efforts.
- d. CDBG applications must document that a CD Strategy and its priority list were discussed at a separate public forum, meeting or hearing, held at least one (1) month prior to the submission of a CDBG application in order to allow for timely community input. Compliance with this requirement must be documented by copies of meeting announcements, attendance lists and minutes. Minutes must reflect that the CD Strategy and priority list have been presented and that discussion has occurred. Please note that, while CD Strategies are valid for a period of three (3) years, the public forum is required annually. This requirement will not apply to EDF.

An applicant may submit a Community Development Strategy and supporting documentation that was previously developed within the past three years. Changes in priorities or the addition of target areas

may be made at any time but must be presented to the public, as above, prior to being included in a subsequent application.

8. **Outcome Performance Measurement System** – HUD issued a Final Notice on March 7, 2006 on its Outcome Performance Measurement System. Through the system HUD will collect information on activities undertaken in the following programs: HOME, CDBG, HOPWA and ESG, and aggregate that data at the national, state, and local level. The outcome measures framework contained herein will satisfy the requirements contained in the HUD notice, along with any revisions adopted by HUD.

The system incorporates the following three objectives set forth in the Housing and Community Development Act of 1974: 1) create suitable living environments, 2) provide decent housing, and 3) create economic opportunities. Beyond that, the system directs applicants/grantees to select from one of the following three outcomes to help define the intent of the activity: 1) availability/accessibility, 2) affordability, and 3) sustainability - promoting livable or viable communities.

Based on the applicant's purpose for undertaking a project or activity, the applicant will determine and state in the application what the intent of the project is with one of the nine Outcome Statements.

The system will not change the nature of the program or its regulations. The Massachusetts CDBG Program currently asks applicants to describe the need the activity addresses, as well as the anticipated impact. This system creates a framework that allows for a consistent reporting to HUD on a national level.

Each outcome category can be connected to each of the overarching statutory objectives, resulting in a total of nine groups of outcomes/objective statements under which the grantees would report the activity or project data to document the results of their activities or projects. Each activity will provide one of the following statements, although sometimes an adjective such as new, improved, or corrective may be appropriate to refine the outcome statement.

- Accessibility for the purpose of creating suitable living environments
- Accessibility for the purpose of providing decent affordable housing
- Accessibility for the purpose of creating economic opportunities
- Affordability for the purpose of creating suitable living environments
- Affordability for the purpose of providing decent affordable housing
- Affordability for the purpose of creating economic opportunities
- Sustainability for the purpose of creating suitable living environments
- Sustainability for the purpose of providing decent affordable housing
- Sustainability for the purpose of creating economic opportunities

In addition, there are certain data elements commonly reported by all programs, although each of the four programs may require different specificity or may not require each element listed below. Grantees will only report the information required for each program, as currently required. No new reporting elements have been imposed for program activities that do not currently collect these data elements. The elements include:

- Amount of money leveraged (from other federal, state, local, and private sources) per activity:

- Number of persons, households, units, or beds assisted, as appropriate;
- Income levels of persons or households by: 30 percent, 50 percent, 60 percent, or 80 percent of area median income, per applicable program requirements. However, if a CDBG activity benefits a target area, that activity will show the total number of persons served and the percentage of low/mod persons served. Note that this requirement is not applicable for economic development activities awarding funding on a “made available basis;”
- Race, ethnicity, and disability (for activities in programs that currently report these data elements)

Finally, grantees will report on several other indicators, required as applicable for each activity type. These will be established in each program component application, and within the grant management system.

HUD will combine the objectives, outcomes, and data reported for the indicators to produce outcome narratives that will be comprehensive and will demonstrate the benefits that result from the expenditure of these federal funds.

9. **Regional Applications** – Each community in a regional application must comply with the same requirements as individual communities in individual applications, in order to participate in a regional grant. For example, each participating community must have a Community Development Strategy that is found to be adequate, the community must have been identified and be part of the required public participation/hearing process and the community must submit all required signatures. Communities that fail to comply will be dropped from consideration as a regional participant and the application will be reviewed on the basis of those communities that have complied with the requirements. As a result, the number of participating communities and/or the dollar amount requested in a regional application may be reduced during the review process.

Additional threshold criteria #10 through #13 apply to specific program applications or types of projects.

10. **Public Benefit Standards** – Economic development projects that are eligible under Title I of the Housing and Community Development Act of 1974, Sections (14), (15) and (17) must meet CDBG standards of underwriting and public benefit. Eligible projects under 105(a)(2) may also be required to meet public benefit standards when undertaken for Economic Development purposes.

11. **Senior Center Projects** – Applicants for Senior Center projects must meet the following threshold requirements to have their applications reviewed and scored:

- (i) provide evidence of site control⁷ by the municipality, as attested to by the Mayor or Board of Selectmen,
- (ii) provide documentation of the availability and commitment of any other funds necessary to complete the project, and
- (iii) provide one copy of the bid-ready plans⁸ prepared by a licensed architect or engineer, a table of contents for the bid specifications and a letter signed by the project architect or engineer attesting

⁷ Evidence of site control may include but is not limited to a deed, long-term lease agreement, purchase and sale agreement, or other contract or legal document.

to the fact that a complete set of specifications has been prepared and is bid-ready (modular construction may require a lesser standard – see Project Threshold Criteria #13).

CDBG-assisted senior center projects funded in FY 2003 or later may not receive subsequent CDBG assistance for additional construction or reconstruction until five (5) years have passed since the grant closeout date. Communities seeking CDBG funds for senior center projects must request elderly low- and moderate-income household data from DHCD prior to submitting an application.

12. Architectural Barrier Removal – A municipality applying for assistance with an architectural barrier removal project must submit a copy of its locally approved Americans with Disabilities Act (ADA) Self Evaluation Survey and Transition Plan. The ADA was enacted in 1990 and requires local governments to evaluate for accessibility all of its programs and services that had not previously been reviewed under Section 504 of the Rehabilitation Act of 1973. The Act also required preparation of a Transition Plan for removal of programmatic and structural barriers to its programs and services, and set forth a process for involving the community in the development of the Self Evaluation Survey and Transition Plan. Programmatic removal of barriers must be fully explored before considering CDBG funding for structural barrier removal. Completion of the Transition Plan is a required threshold for Architectural Barrier Removal applications.

It is the responsibility of each community to ensure that its Transition Plan is consistent with federal regulations. A community's request for Mass CDBG funding must be consistent with the priorities set forth in these locally developed documents. Communities may wish to contact the Massachusetts Office on Disability or the U.S. Department of Justice for specific questions regarding the ADA and the Rehabilitation Act of 1973.

Applications for Architectural Barrier Removal projects with a total construction cost of \$100,000 or more require bid-ready plans and a letter signed by the project architect or engineer attesting to the fact that a complete set of specifications has been prepared and is bid-ready in each copy of the application. Projects less than \$100,000 but more than \$25,000, require design development drawings.

Finally, when used for Architectural Barrier Removal, CDBG funds may be used only for the relevant barrier removal work and directly related and required construction. CDBG funds cannot be used to address building code or local requirements that are not directly part of the removal of the architectural barrier.

13. Bid-ready Plans and Specifications - Bid-ready plans and a letter signed by the project architect or engineer attesting to the fact that a complete set of specifications has been prepared and is bid-ready are required for all public facilities and architectural barrier removal projects with a construction cost of \$100,000 or more (see definition in footnote #5). Design development drawings are required for public facilities and architectural barrier removal projects or equivalent site and landscaping

⁸ Bid-ready plans and specifications are those construction documents that constitute a presentation of the complete concept of the work including all major elements of the building and site design. The bid documents shall set forth in detail and prescribe the work to be done by the construction specifications; the materials, workmanship, finishes and equipment required for the architectural, structural, mechanical, electrical and site work; and the necessary solicitation information. Drawings shall include the following: a) Site plan showing the location and type of building; b) Scale plans of the building; c) Wall sections, details, and elevations in sufficient detail to serve as a basis for a construction estimate; d) All other required architectural, civil, structural, mechanical and electrical documents necessary to complete the project.

plans for Playground/Park projects, with a total construction cost of more than \$25,000 but less than \$100,000.

In addition, DHCD recognizes that this requirement may be problematic for communities considering modular construction projects. To satisfy these concerns, in order to apply for assistance to undertake modular construction a community may instead provide DHCD with a reasonable cost estimate for the project. Detailed backup for the total costs for modular construction projects must include the cost of site preparation, off-site construction of the modular unit, and the cost of delivering and assembling the modular unit including all work necessary - including but not limited to all utility work and sub-trades - to result in the issuance of an occupancy permit. To accomplish this, the community must provide the following: the program for the building; plans, specs, and prices of comparable unit(s) from a manufacturer; evidence of the manufacturer's ability to deliver the unit during the timeframe for construction identified in the grant application; and a site plan.

E. ALLOCATION OF CDBG FUNDS TO THE COMMONWEALTH
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The federal Fiscal Year 2013 HUD allocation to the Commonwealth of Massachusetts is anticipated to be \$27,738,930. DHCD's funds are subject to availability from the federal government, which is contingent on the federal budget and appropriations process and the HUD allocation process. In addition to the HUD allocation DHCD expects to receive approximately \$200,000 in program income, for a total of \$27,938,930 available for FY 2013. These funds will be distributed during the program year to eligible cities and towns in accordance with the allocation among program components outlined below.

MA CDBG PROGRAM COMPONENT	FY 2013 ALLOCATION
Community Development Fund I	\$13,476,762
Community Development Fund II	\$ 2,700,000
Mini-Entitlement Program	\$ 8,550,000
Economic Development Fund (not including expected \$200,000 in program income)	\$ 1,000,000
-Section 108 Loan Guarantee*	\$ 10,000,000
Reserves	\$ 750,000
Section 108 Loan Repayments** (No. Adams, Everett)	\$ 330,000
Administration and Technical Assistance	\$ 932,168
TOTAL AVAILABLE (includes \$27,738,930 allocation plus \$200,000 in program income)	\$27,938,930
<p>*Section 108 Loan Program allocation does not impact the FY 2013 Allocation</p> <p>**Section 108 Loan Repayments are budgeted but not necessarily required. This is an "up to" amount. Amounts not required for repayment to HUD will be reallocated to other components.</p>	

Reallocation of funds among program components: During the year, DHCD may have cause to recapture earlier program year funds from non-performing grantees; or there may be small amounts of program funds from prior years that have yet to be used; or there may be opportunities to recapture program income generated by communities from earlier projects; or there may be extreme demand for one program component; or there may be minimal demand for one component. Funds will be reallocated depending on the timing of other components and the apparent demand for funds or to address emergency situations during the program year. When awarding those funds DHCD will use current program guidelines as established in the most recent One Year Plan. DHCD reserves the right to increase or decrease the allocation of a program component. When these cumulative changes meet the threshold criteria of an amendment, DHCD will follow the process in accordance with the State's Consolidated Plan and regulations at 24 CFR 91.505. DHCD may also have cause to fund from any allocation or resources to respond to corrective actions after program closeouts or as a result of other administrative errors.

F. AVAILABILITY OF CDBG PROGRAM FUNDS

All CDBG program funds will be available to eligible grant recipients based on applications for Massachusetts Community Development Block Grant funds and/or Notices of Funding Availability that will be distributed on a regular basis. These documents will make communities aware of the requirements of each particular component and will be available to allow communities adequate time to prepare grant applications for each program.

A single community may receive no more than \$1 million from any combination of federal FY 2013 Community Development Fund I or II, or Mini-Entitlement grant funds. Awards not subject to the \$1 million cap per community include the Economic Development Fund and Reserves.

Additionally, a single community may receive no more than \$1.35 million from Community Development Fund I within two successive years. Economic Development Fund and Reserves awards are not subject to the \$1.35 million cap per community.

Listed below are application distribution dates for each program and the corresponding due dates. A Notice of Availability of Funds will be issued, as appropriate, prior to release of each Application subject to the availability of federal funds.

Program Components⁹	Application Issued	FY 2013 Applications Due
Community Development Funds I and II	December 2012	Friday, February 15, 2013
Mini Entitlement Program	December 2012	Friday, February 15, 2013
Economic Development Fund	February 2013	Continuous

⁹ The FY 2013 applications will be operative upon their release. Actual release of funds is contingent on HUD approval of the state's One Year Plan, and will be dictated by the date the state receives HUD approval on its Plan.

G. EVALUATION CRITERIA APPLICABLE TO ALL CDBG PROGRAMS

DHCD reserves the right to incorporate any or all of the following Evaluation, Regulatory and Performance criteria in its award decisions:

Evaluation:

- solicit and verify information from any local, state or federal agencies and other entities, and based on that information, reduce, increase or deny an award to a community.
- conduct site visits for any proposed CDBG project or solicit additional information from applicants in order to confirm or clarify factual or procedural responses to application requirements such as copies of legal advertisements, minutes, survey instruments, letters, etc. Acceptance of these materials is subject to DHCD's satisfaction that the omitted material was in existence at the time of application and submission of the requested documents within a specified timeframe. Additional information regarding responses to competitive questions will not be accepted.
- reduce or increase an award to a community to assure that a grant budget is reasonable.
- fund, fully or partially, a project from other state resources.
- reduce or deny a grant, or place special conditions on a grant, based on the management capacity of the municipality or the current or proposed administering agency.
- Reduce an award to a community with an uncommitted program income balance of \$100,000 or more. Program income balances must be documented through submission of bank statements. The program income account balance in DHCD's Grant Management System must be maintained to match the bank program income account statement balances. Program income commitments must be documented through submission of award or commitment letters, appropriation language or other evidence deemed suitable by DHCD including signed contracts. Making program income funds available as part of a contingency plan will not be considered a commitment of those funds. Upon award, grantees must add the committed program income funds to the cited grant activity(ies) through the grant amendment process.
- resolve tie scores in a competitive fund by applying the criteria below in the following order:
 1. An application from the community or region with the higher Community-Wide Needs score will be funded;
 2. Applications for projects that increase the community's supply of affordable housing units;
 3. Regional applications;
 4. Applications for housing and/or economic development projects that are consistent with the goals of the Administration; and

5. If scores remain tied after the application of steps #1 through 4, DHCD will conduct a lottery at which a representative from HUD will be present.

Regulatory:

- ensure that at least 70 percent of CDBG assistance, as per federal statute, is used to support projects that directly benefit low- and moderate-income persons of the Commonwealth.
- ensure that no more than 15 percent of the FY 2013 Massachusetts CDBG allocation is for public social service activities as per federal regulation.
- deny a grant, or a portion thereof, to ensure that no more than 20 percent of the FY 2013 Massachusetts CDBG allocation is for planning and administration as per federal regulation.
 - not review an application unless signed by the municipality's Chief Elected Official.

Performance:

- reduce an award to a community with an uncommitted program income balance of \$100,000 or more.
- reduce an award, deny a grant, or impose special conditions on a community with prior year grants with a low rate of committed or expended dollars. This includes reductions in awards for projects funded in previous rounds for which unexpended funds remain.
- reduce an award, deny a grant, or impose special conditions on a community with outstanding, major findings that are unresolved at the time application decisions are being made; or which have otherwise had a history of significant, repeat findings. These findings could have resulted from any grant program offered by DHCD.

Major findings means non-compliance with a statutory requirement which, if not satisfactorily resolved by the community, would require that the federal funds be repaid by the municipality, or result in other serious sanctions.

History of significant, repeat findings means non-compliance with statutory or regulatory requirements in more than one grant cycle, where the community may have resolved those findings but with an unacceptably slow response.

- consider the past performance in the management of state grants, including but not limited to CDBG, by the applicant community and its administering agency or project sponsor, including continuing prior performance issues such as the number of program extension requests, program amendments and requests to re-program past grant funds due to inability to complete the originally awarded activities.

Awarding of Grants

Based on the scores produced through the review process, grant award recommendations are made to the Undersecretary of DHCD, whose decision is final. In the competitive programs, grants are awarded for projects to municipalities that received the highest application scores and which meet applicable thresholds until all available funds are distributed. In the programs with rolling applications, grants are awarded for projects to municipalities with application scores that meet a minimum scoring threshold, or that meet other program criteria, or both. DHCD reserves the right to award a grant in whole or in part, or to reject any and all proposals received.

Grievance Procedure

Within forty-five (45) days of the date of the Undersecretary's written notice of grant determinations to applicant cities and towns, any municipality aggrieved by DHCD's decision may challenge the denial of its grant by submitting a letter of appeal from the Chief Elected Official of the municipality to the Undersecretary, who shall respond no later than forty-five (45) days from the date of receipt of the municipality's appeal.

H. <i>PROGRAM SANCTIONS</i>
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DHCD reserves the right to suspend or terminate grant awards made to eligible communities should there be instances of fraud, abuse, poor performance, misrepresentation, or extreme mismanagement, or in the event a grantee is unable to carry out a project as approved in an application. Communities should be aware that in the event that a project budget is found to be inadequate to fully implement the project as approved, DHCD reserves the right to review and approve any change in project scope to make a project fundable and may opt for recapturing the funds instead of authorizing a project with a reduced scope of work. In addition, if excess funds remain from a target area activity, either due to budgetary reasons or because of less demand for the activity than projected, the community must return the funds or request DHCD approval to reprogram the awarded funds.

DHCD's preference is to approve reprogramming for the following purposes and in the following order:

- Funds will be used for eligible housing activities in the target area,
- Funds will be used for eligible housing activities in the remainder of the community,
- Other existing target area activities.

If the excess funds cannot be used consistent with these preferences, DHCD will require a detailed request describing the reprogramming and may require that the funds be returned.

The community staff and Chief Elected Officials will have the opportunity to discuss possible sanctions prior to any formal action. If formal sanctions are recommended, grantees will be provided a full opportunity to appeal such decisions to the Undersecretary of DHCD before any final action is taken.

All program funds recaptured through the sanctions process will be re-programmed consistent with the procedures in (E) *Allocation of CDBG Funds* and (J) *CDBG Program Components*. Based on the

significance of the issues involved in any such determination, DHCD may suspend, for a period of up to three (3) years or until final resolution is achieved, a community's eligibility to participate in any Massachusetts CDBG component. Such action will only be taken in extreme circumstances and only after all alternatives have been exhausted.

<i>I. CITIZEN PARTICIPATION REQUIREMENTS FOR APPLICANTS AND GRANTEES</i>

All applicants for funding under the FY 2013 Massachusetts CDBG Program must comply with the citizen participation requirements contained in Section 508 of the Housing and Community Development Act of 1987. DHCD expects citizen involvement in the identification of community development needs, the development of applications, program assessment and evaluation. Communities must include in their Massachusetts CDBG application a local citizen participation plan detailing how the community will provide:

1. citizen participation, with particular emphasis on participation by persons of low- and moderate-income, residents of slums and blighted areas and of areas in the state where CDBG funds are proposed to be used, particularly residents of a proposed target area;
2. reasonable and timely access to local meetings, information, and records relating to the grantee's proposed use of funds, and relating to the actual use of funds;
3. information on the amount of state CDBG funds available during the year; the range of eligible CDBG activities; and how activities will benefit low- and moderate-income persons;
4. technical assistance to groups representative of persons of low- and moderate-income that request such assistance in developing proposals;
5. **a minimum of 2 public hearings**, each at a different stage of the program (development and implementation), to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at *a minimum* (a) the development of needs, (b) the review of proposed activities, and (c) review of program performance. These hearings shall be held after adequate notice, at times and accessible locations convenient to potential or actual beneficiaries, and with accommodations for persons with disabilities. In cases of joint applications, all applicant communities must be included in and participate in the public hearing. At least one public hearing must be held prior to submittal of an application; a second must be held during the course of the grant year;
6. a timely written answer to written complaints and grievances, within 15 working days of receipt where practical; and
7. the plan must also identify how all residents and beneficiaries, including minorities and non-English speaking persons, as well as persons with disabilities can be reasonably expected to participate in the program in general, and at public hearings in particular.

J. CDBG PROGRAM COMPONENTS

This section briefly describes the components of the Massachusetts CDBG Program. Each program component description includes eligible uses, grant award amounts, and evaluation and award criteria. In the event of conflicting language, this One Year Action Plan takes precedence over language in all program component applications. The program components are:

1. Community Development Fund I (CDF I)
2. Community Development Fund II (CDF II)
3. Mini-Entitlement Program
4. Economic Development Fund
5. Reserves
6. Administration and Technical Assistance by DHCD

➤ **All applications To MA CDBG are submitted online and** will only be accepted using DHCD's web-based system. Further details and training information will be available as application materials and details are released.

1. COMMUNITY DEVELOPMENT FUND I (CDF I)

Program Description

The Community Development Fund I (CDF I) annually awards grants to communities throughout the Commonwealth. This program helps eligible cities and towns to meet a broad range of community development needs in housing, infrastructure, downtown revitalization, and public social services. It supports CDBG-eligible activities and encourages applicants to develop coordinated, integrated and creative solutions to local problems. CDF I is targeted to communities with high Community-Wide Needs scores (ranging from 25 to 35) and very limited financial ability to address those needs with local funds. See Exhibit 3 for Community-Wide Needs Scores and Exhibit 4 for the indicators and formula used to derive the scores.

In federal FY 2013 DHCD expects to award approximately \$13,000,000 in CDF I grant funds, depending upon Massachusetts' federal allocation.

Grant Award Amounts

Applicants for a CDF I grant will be eligible to receive up to the following amounts based on the type of application submitted:

Category	Minimum Grant from Competitive Round:	Maximum Grant from Competitive Round:
Single Community	\$ 100,000	\$ 800,000
Single Community w/multiple targeted activities	\$ 100,000	\$ 900,000
Two or Three Communities (Regional)	\$ 100,000	\$1,000,000
Four or More Communities (Regional)	\$ 100,000	\$1,100,000
Planning- or Design-only grants	\$ 20,000	-----

A single community may receive up to \$900,000 for multiple, targeted physical activities. Social services, planning or design activities do not trigger the higher grant funding level. No single CDF I community in a regional application may receive more than \$700,000. There is a minimum grant amount of \$20,000 for planning or design-only grants.

Requirements:

1. CDF grants are **Single Year Grants** based on an 18-month implementation period. Communities should not apply for funds if the proposed project is not ready to proceed.
2. Two or more communities may apply **regionally**. *"Regional" is not limited to geographically contiguous cities and towns.* In order to comply with federal requirements governing such applications, each participating community would:
 - enter into an inter-local agreement that will allow a lead community to conduct grant activities within other communities;
 - sign the application certifications stating compliance with program regulations; and
 - demonstrate in the application how the requested funds will be allocated among all participants.

Each participating community in a regional application must have a locally approved Community Development Strategy, and all projects in the application must be consistent with those documents.

CDF I communities may also join with CDF II communities as regional applicants.

PLEASE NOTE: An application will not be considered a regional application if the only activity taking place in more than one of the communities is public social services.

3. An applicant is eligible to apply to Community Development Fund I if its FY 2013 Community-Wide Needs Score, rounded to the nearest integer, is 25 or greater on a scale of 35. Community Wide Needs Scores are available in Exhibit 3. Communities with a Community Wide Need score of 25 or 26 may choose to apply to either CDF I or CDF II, subject to the requirements of the two components. Communities can participate in only one fund for all FY12 applications. A community may not apply to separate funds in different applications. Communities with a CWN of 25 or 26 in a regional application must identify to which fund they are applying.

4. A community may apply in either one individual CDF application or in one regional application (including as a lead applicant), or in one of each. In addition, a municipality may not receive funds for the same activity under more than one CDF application during any one Mass CDBG federal fiscal year.
5. All CDF I applications must be received by DHCD's web-based application system by **Friday, December 16, 2011**, at 11:59 PM. However, one hard copy of the required Application Cover page, and the Joint Authorization page, with original signatures of the appropriate Chief Elected Official(s) must be received by 5:00 PM or the close of business, whichever is later, on Friday, December 16, 2011.

Evaluation and Award Criteria

Application review and awards will be governed by the criteria and procedures as described above (Sections A through I), and the following criteria, process rules and special requirements. Additional detail on evaluation criteria and the review process will be in the FY 2013 Community Development Fund Application Package.

1. Applications will be scored on a 100-point system, with the potential for bonus points, as follows:

CRITERION	POINTS
Community Wide Needs	35
Project Packets	65
Total	100
Regional Bonus	2 per activity
Comprehensive/Integrated	Up to 10

Each criterion is described below. Please be advised that applicants must meet a minimum threshold for **Project Feasibility -- i.e., each project must appear to be feasible to undertake and complete in the 18-month grant period, or the other criteria will not be scored.** Projects must demonstrate financial feasibility, including adequate sources available for all costs based on reasonable cost estimates and financial need. Sources and uses of funds are limited to actual documented cash/expenditures specific to the proposed project. Proposals must also demonstrate site control, major permit approval, and other information that demonstrates the project is feasible and ready to go forward upon grant award. All projects must also meet threshold consistency with the Sustainable Development Principles.

Community-Wide Needs - are scored by DHCD, based on a set of criteria including population demographics, economic conditions, the community's fiscal condition, and assorted community development need indicators. A complete list of indicators is described in Exhibit 4. Communities are encouraged to submit a written request for their need scores. A community or its designee may make the request. DHCD will notify the community's Chief Elected Official of when and to whom the score is mailed. Only the lead community of a regional application needs to submit a request for the community-wide needs score. Regional applications will receive needs scores based on a weighted average of the scores for the participating communities. (35 points)

Project Need - requires applicants to document and describe the particular needs that will be addressed by each proposed project and the severity of those needs. Project Need will be evaluated based on the documented severity of need.

Community Involvement and Support - requires applicants to describe and document project selection, outreach efforts, involvement by the community and potential beneficiaries in the planning and development of the project and a process for maintaining involvement in the project over time. Community Involvement and Support will be evaluated based on the extent to which the applicant provides greater opportunity for involvement, actual involvement and support for the activity beyond CDBG- required efforts.

Project Feasibility - requires applicants to document and describe an understanding of the permitting and project management tasks necessary for the project, the procurement processes required of the project, the status of design and site control, the availability of all necessary funds and the readiness of the project to proceed, including completeness of environmental review requirements, and completeness and reasonableness of timeline. Project Feasibility will be evaluated on the applicant's ability to demonstrate the overall readiness of the project, management capacity and the ability of the applicant to complete the project within the 18-month grant implementation period.

Project Impact - requires applicants to document and describe the impact of the proposed project on the identified needs of the target population or target area including physical and visual impacts, if applicable. Project Impact will be scored on the extent to which the project will have positive impacts on the target area or target population, the number of persons to benefit from the proposed project, quantitative and qualitative assessment measures.

To be determined fundable, a project packet must earn a score of at least 39 points out of the 65 possible for a project packet. Planning activity packets will be scored using Project Need and Impact criteria only and must receive at least half the available points for each criterion.

Available Bonus Points

Regional activities - fundable activities that will serve multiple communities will receive an additional two points. Regional activities are defined as housing rehabilitation in multiple communities, social services provided to multiple communities, or shared facilities or planning/design activities that will be administered and bid centrally on behalf of regional participants.

Multiple, Targeted Activities

1. Five points are available to applicants proposing multiple activities in a target area and that demonstrate that the activities are complementary, coordinated or integrated. A minimum of at least two activities must be fundable.
2. An additional five points will also be awarded if an applicant demonstrates that non CDBG-funded projects consistent with the community's Community Development Strategy and the requested CDBG activities are also targeted to the same geographic area and will also result in measurable improvements. These points will not be awarded for municipal operating budget activities, maintenance

activities/projects, or activities that are an extension of a requested CDBG activity such as lead abatement funds to serve the same units as those in a proposed housing rehabilitation program. Further details are contained in the Application Guidance document for FY 2013 CDBG applications. Specific guidance regarding required documentation appears in the FY 2013 Application Guidance.

Applications with more than one project packet (component) to be considered for funding will receive a single Activity Score that is based on the average score for each project that meets the thresholds enumerated above then rounded to the nearest whole number. Planning and Public Social Services activity scores, however, will not be included in the averaging of activity scores.

When all applications have been reviewed, each applicant's activity score, bonus points and community wide needs score are combined into a single application score. DHCD will fund proposals by ranking the scores from highest to lowest, applying the Evaluation Criteria above in (G) *Evaluation Criteria Applicable To All CDBG Programs* in the event of tie scores.

2. COMMUNITY DEVELOPMENT FUND II (CDF II)

Program Description

This program helps the state's non-entitlement cities and towns meet a broad range of community development needs in housing, physical development, downtown revitalization and public social services. In federal FY 2013, DHCD expects to award \$2,700,000 under the Community Development Fund II (CDF II) to eligible applicants, depending upon the allocation of federal funds from HUD.

Grant Award Amounts and Requirements

Applicants for a CDF II grant will be eligible to receive up to the following amounts based on the type of application submitted:

Category	Minimum Grant from Competitive Round:	Maximum Grant from Competitive Round:
Single Community	\$ 100,000	\$ 700,000
Single Community w/multiple targeted activities	\$ 100,000	\$ 800,000
Two or Three Communities (Regional)	\$ 100,000	\$ 900,000
Four or More Communities (Regional)	\$ 100,000	\$1,000,000
Planning- or Design-only grants	\$ 20,000	-----

A single community may receive up to \$800,000 for multiple, targeted physical activities. Social services, planning or design activities do not trigger the higher grant funding level. No one single CDF II community in a regional application may receive more than \$500,000 in FY 2013 funds. There is a minimum grant amount of \$20,000 for planning-only grants. All requirements of CDF I apply to CDF II.

This program is available to communities with a Community-Wide Needs Score equal to or less than 26 out of 35 points for federal Fiscal Year 2013. Community Wide Needs Scores are available in Exhibit 3. A community may apply in either one individual CDF II application or in one regional application (including as a lead applicant), or in one of each.

CDF II communities may join with a CDF I or with another CDF II for regional activities. Regional applicants are not limited to geographically contiguous cities and towns. The Community Wide Needs Score of CDF II applicants will not be considered in the composite regional Community Wide Needs Score. Participation in a regional application will not prohibit an eligible CDF II applicant from applying individually to the CDF II, within the stated restrictions.

The following conditions apply to regional applications:

- Funds allocated to the CDF II communities for regional activities will not be included when calculating the \$1 million cap in Mass CDBG funds that the lead CDF I communities may receive in a fiscal year.
- Funds allocated to the CDF II communities for regional activities will be included when calculating the \$1 million cap in Mass CDBG funds that participating CDF II communities may receive in a fiscal year.

All CDF II applications must be received by DHCD's web-based application system by **Friday, December 16, 2011**, at 11:59 PM. However, one hard copy of the required Application Cover page, and the Joint Authorization page, with original signatures of the appropriate Chief Elected Official(s) must be received by 5:00 PM or the close of business, whichever is later, on Friday, December 16, 2011.

LIMITATIONS/CONDITIONS ON SUBSEQUENT CDF II APPLICATIONS

A Community Development Fund II community that receives an award from the Community Development Fund is precluded from applying to a Community Development Fund program for the following federal fiscal year. FY 2011 CDF II grant recipients designated as FY 2013 CDF I-eligible communities in Exhibit 3: Program Eligibility and Community-Wide Needs Scores are not subject to this prohibition. In addition, a community previously awarded funds solely for an architectural/engineering design or planning project may apply in the next federal fiscal year for funding to implement the project. However, the maximum grant award for implementation will be reduced by the amount of the previous design or planning grant.

Exhibit 2 lists communities that may not apply for CDF funds in FY 2013.

Evaluation and Award Criteria

Applications will be reviewed according to the same criteria and process for activities as detailed in the discussion above describing criteria for CDF I. However, the Community-Wide Needs Score will not be factored into the evaluation. The application will be scored on a 65-point scale.

3. MINI-ENTITLEMENT PROGRAM

Program Description

Municipalities were selected to be Mini-Entitlement communities if they met the three following criteria: (1) Community Wide Needs Score over 28; (2) a poverty rate higher than the state average of 6.7% and (3) population over 12,000. This program helps larger non-entitlement urban communities with the highest needs improve conditions for their low- and moderate-income residents through comprehensive planning and predictable funding. Through this program, identified cities and towns can meet a broad range of community development needs in housing, business development, physical development, downtown revitalization, and public social services. It supports all CDBG-eligible activities and encourages applicants to develop comprehensive, creative solutions to local problems.

DHCD expects to award up to \$8,550,000 from the FY 2013 Mini-Entitlement Program allocation to nine (9) designated Mini-Entitlement municipalities, listed below:

Chelsea	Southbridge
Everett	Wareham
Gardner	Webster
Greenfield	West Springfield
North Adams	

DHCD recalculation of Mini-Entitlement scores may eliminate communities previously qualified for designation. In such cases, communities designated as Mini-Entitlement for the previous federal fiscal year will receive transitional assistance for the following federal fiscal year. For FY 2013, DHCD intends to provide the Town of Amherst with up to \$450,000 (or up to one half of the award amount received by continuing Mini-Entitlement communities, if grant amounts are reduced) in transitional, Mini-Entitlement funding.

DHCD requires Mini Entitlement communities to approach CDBG projects in a comprehensive and integrated manner and is directing these communities to target their CDBG funds to particular geographic areas in order to impact and effect change within neighborhoods. Housing Rehabilitation programs may be designed to allow up to 20% of the funds to be used for emergency purposes outside the target area.

DHCD will offer technical assistance to Mini-Entitlement communities, including planning, priority setting, and project evaluation and development.

Grant Award Amounts and Requirements

The maximum grant award is up to \$900,000. Mini-Entitlement applications will contain an 18-month implementation and cash flow plan. Mini-entitlement grantees must comply with standards for timely expenditure and available program income (see Applicant/Project Thresholds above). FY 2013 Mini-entitlement awards to Grantees that do not meet the required standards will be reduced by an amount necessary to bring the grantee into compliance.

Evaluation and Award Criteria

The following requirements apply to the Mini-Entitlement Program:

1. In accordance with the Massachusetts CDBG Priorities listed in Section A, DHCD seeks to fund projects identified through meaningful community-based planning and priority setting processes as described in SECTION D. 6. Each Mini-Entitlement grantee must submit a Community Development Strategy. Community Development Strategies must also include how the community will plan for and implement projects that are consistent with the Commonwealth's Sustainable Development Principles.
2. Activity packets must be completed, but will not be competitively scored. All FY 2013 Mini-Entitlement applications must describe how CDBG funds will be allocated; include goals and performance measures for each activity; demonstrate compliance with a federal national objective and all federal/state requirements; and provide a management plan. The project packets will be reviewed for compliance with these evaluation criteria.
3. Mini-Entitlement applicants may however, propose projects, subject to DHCD approval, that do not meet the plans and specifications requirements of SECTION D. 12 and 13.
4. All activities that are eligible under Section 105(a) of Title I of the Housing and Community Development Act of 1974, as amended, will be considered for funding with the exception of organizational activities of downtown partnerships.
5. Mini-Entitlement communities may not join with CDF I or CDF II communities as joint applicants.

All Mini-Entitlement applications must be received by DHCD's web-based application system by **Friday, December 16, 2011**, at 11:59 PM. However, one hard copy of the required Application Cover page, and the Joint Authorization page, with original signatures of the appropriate Chief Elected Official(s) must be received by 5:00 PM or the close of business, whichever is later, on Friday, December 16, 2011.

4. ECONOMIC DEVELOPMENT FUND

(a) Community grants

The Economic Development Fund (EDF) offers assistance to communities focused on community economic development - retaining and creating jobs for low and moderate-income people, strengthening the local tax base, and supporting revitalization efforts that enhance the quality of life in the community. EDF gives priority to assistance for physical improvements in support of economic development and job creation/retention. Historically, EDF has funded a range of economic and community development projects. More recently, including in FY 2013, program funding is more limited and the following

categories of projects will be considered, provided they can document an economic development purpose.

1. Physical Improvements Supporting Downtown and Commercial Center Economic Development

Acquisition, demolition, physical improvements and building rehabilitation or adaptive re-use activities that are clearly linked to economic development and jobs. Priority is given to mixed-use projects located in downtown or commercial center areas. Other physical improvement projects must be located in downtown/commercial center areas, with emphasis on mixed-use development.

Mixed use projects must contain a workforce housing component. The entire building façade must be appropriately addressed, regardless of the portions of the building assisted. A mixed-use project qualifying for residential or commercial and residential EDF assistance will be limited to a maximum grant of \$750,000, plus administration costs. Mixed-use project receiving only commercial assistance will be limited to the general EDF project cap of \$500,000. For most workforce housing project components, all federal and state grants combined shall not exceed 75 percent of total actual project costs. Housing unit rehabilitation will be limited to a maximum per unit CDBG cost of \$125,000. Economic Development Funds may be used alone or in partnership with other CDBG or non-CDBG funding sources to undertake building improvements for mixed-use projects.

2. Planning Projects Supporting Economic Development

Planning studies that if implemented will lead to a project that has an economic development purpose and will meet a national objective. Planning and pre-development studies conducted in advance of site or topic specific CDBG-eligible economic development activities.

- Proposed planning projects must clearly demonstrate that they have:
 - emerged from a, local or regional planning effort (i.e., in addition to the local CDS).
 - a reasonable likelihood of resulting in an identifiable, economic development project that will likely be implemented **within three (3) to five (5) years**.
 - a reasonable likelihood that the implemented project will meet a national objective, with preference for significant LMI/jobs.
 - evidence of support by applicable state and/or regional agencies.
- EDF will not consider planning projects that:
 - appear to be “white elephants” lacking a convincing likelihood of moving forward following the study and of meeting a national objective.
 - might be assumed by the private sector by virtue of superior project location or characteristics.
 - might be better suited for other federal, state, local, quasi-public or private funds,
 - have known or potential, major development obstacles or other issues that could prevent project implementation or achievement of a national objective
 - include architectural or engineering costs – these are considered project costs and are not CDBG-eligible planning activities.

Communities must select consultant(s) for EDF planning activities from DHCD's procured list of eligible consultants. EDF staff reserve the right to seek any/all documentation or verification they deem appropriate to demonstrate project consistency with any of the above requirements.

3. Assistance to Non-Profit Development Organizations (NDOs)

Grant assistance to eligible NDOs to fund the capitalization of small business and microenterprise revolving loan funds (RLFs), technical assistance or training programs and other eligible microenterprise activities. Microenterprise assistance is limited to commercial enterprises with five or fewer employees, one of whom is the owner. Small business assistance is subject to CDBG appropriate analysis, public benefit and underwriting guidelines, and EDF supplemental documentation. Assisted NDOs must demonstrate capacity, including past experience and performance, for operating small business or microenterprise assistance programs of the type and scale for which they will apply.

DHCD anticipates that \$1,200,000 will be available to the Fund during FY 2013: \$1,000,000 will be available from the FY 2013 CDBG allocation, which will be supplemented by an estimated \$200,000 from revolving loan fund program income that DHCD expects to earn during the program year.

Grant Award Amounts and Requirements

- A community may receive no more than one EDF grant award in any fiscal year.
- In order to receive funding a project or activity must be consistent with the Sustainable Development principles. Guidance on this threshold may be found in Exhibit 6. Public Services activities are exempt from this requirement.
- Grants are based on an 18-month implementation cycle.
- Applications will be accepted on an ongoing basis throughout the year, based on funding availability.
- Grants for rehabilitation or adaptive re-use of mixed-use buildings located in downtown or commercial center areas for commercial and/or housing are limited to \$100,000-\$750,000 plus administration. Housing unit rehabilitation will be limited to a maximum per unit CDBG cost of \$125,000.
- The exterior façade of a mixed-use project must be completed consistent with EDF Program Guidance, Appendix M. Grant assistance for commercial rehabilitation is limited to addressing such improvements, if eligible.
- Grants of up to \$50,000 including administration costs, for planning studies which, if implemented, would lead to a project that has an economic development purpose and will meet a national objective.
- All other EDF community grants are limited to \$100,000-\$500,000 plus administration costs.

Evaluation and Award Criteria for Community Grant Applications

EDF applications will be evaluated according to a two-stage process, which consists of (1) completion of an Application Information Form (AIF) and initial meeting and (2) the application.

- (1) AIF/Initial Meeting - The applicant must submit an Application Information Form (AIF), using DHCD's web-based application system, before DHCD will consider an EDF application. Upon receipt and review of the AIF, CDBG staff will schedule, at its discretion, an initial informational meeting between program staff and representative(s) of the municipal government. At its discretion, staff may otherwise inspect the project site, with proper notice if required, at any point in the process.
- (2) Application - If the proposed project is considered to be consistent with program requirements, and likely to meet the threshold criteria discussed in Section D: *APPLICANT/PROJECT THRESHOLDS* above, CDBG staff will invite the community to submit an application. If the applicant does not submit an application within three (3) months of the date of the invitation letter, it may be required to submit another AIF and repeat the two-step application process in order for DHCD to further consider the proposed project. **The three (3) month application deadline may be extended in extenuating circumstances at DHCD's discretion.**

Applications will be reviewed for completeness, documentation of application/project thresholds, and responses to assigned project packet(s) and project-specific questions and comments (project conditions) included in DHCD's letter of invitation. To be considered for funding, a proposed activity must meet all thresholds, and must address all project packet questions and conditions to the satisfaction of DHCD. In the event there are insufficient funds for all eligible applications, DHCD reserves the right to consider EDF applications out of order of receipt based upon a review of the number of jobs to be created or retained, the impact of a project on the local tax base, such as increase in tax revenues, sudden job loss, levels of matching or leveraged funds, or other compelling circumstances.

The EDF program encourages and supports Community Grants projects which, relative to similar past and prospective projects, are compelling in terms of need and impact, do not exhibit complex issues adversely affecting project costs and timelines, include evidence of financial need, and exhibit characteristics that are compatible with the project's surroundings. Additionally, the EDF program will support and encourage mixed-use projects which include evidence of marketability, exhibit a prominent location proximate to traditional downtown activities and appropriate services, and reveal no creditworthiness issues or concerns regarding the sponsor/owner.

(b) Section 108 Loan Guarantees

Description

Section 108 Loan Guarantees allow eligible communities to access federal loan funds for the purpose of aiding revenue-producing development activities. The program provides communities with a source of loan financing for a range of community and economic development activities. Funding is provided to

the community to loan to a business or other entity. The Commonwealth guarantees repayment of the HUD loan, and pledges its future CDBG allocation as collateral. Actual funding will be provided through the sale of notes by the federal Department of Housing and Urban Development.

Eligible activities include:

- economic development activities eligible under CDBG (limited to real estate, vs. user projects)
- acquisition of real property;
- rehabilitation of publicly owned real property;
- housing rehabilitation eligible under CDBG;
- construction, reconstruction, or installation of public facilities (including street, sidewalk, and other site improvements);
- related relocation, clearance, and site improvements; and
- payment of interest on the guaranteed loan and issuance costs of public offerings.

As with EDF community grants, assistance to non-profit organizations for public services, capitalization of loan funds or business technical assistance, or direct assistance to individual businesses or other entities for purchase of machinery and capital equipment, working capital and credit refinancing will also not be considered in Section 108.

This year the Commonwealth will pledge up to \$10 million in future CDBG allocations in support of these eligible activities.

Grant Award Amounts and Requirements

- The minimum award is \$500,000 and the maximum is \$5 million. The loan amount will not be included in the \$1 million annual limit that grantees may receive from the Commonwealth's annual CDBG allocation.
- Interest rates on interim borrowing are priced at the 90-day London Interbank Offered Rate (LIBOR) + 20 basis points. Permanent financing is pegged to yields on U.S. treasury obligations of similar maturity to the principal amount. A small additional basis point spread, depending on maturity, will be added to the Treasury yield to determine the actual rate.
- In general, awards from the Section 108 Loan cannot exceed 40% of the total project costs. However, DHCD will consider guaranteeing public infrastructure projects to a percentage greater than 40% on a case by case basis;
- Privately owned, non-residential real estate activities where the scope exceeds exterior façade improvements consistent with EDF Program Guidance, Appendix M, must be undertaken as economic development activities and must meet CDBG underwriting criteria. These criteria limit assistance to gap financing, which may be less than the 40% program limit;

- All Section 108 applications must include evidence that the proposed project needs grant assistance to be feasible;
- DHCD is willing to consider phased projects, with the caveat that the time frame for full implementation is a maximum of five years or less;
- DHCD or HUD may disapprove applications, or approve a reduced guarantee or approve the request with conditions, such as but not limited to additional collateral and guarantees depending on the structure of the proposal; and
- Depending on the nature of the project, the community may be required to pledge its full faith and credit.

Evaluation and Award Criteria for Section 108 Applications

Applicants must contact DHCD prior to submission of an application. A two-stage process for evaluating potential applications is in effect, consisting of a preliminary screening and a formal application. Applicants also need to review the evaluation criteria and the review process information found in the Economic Development Fund Application Guidance. Applications will be reviewed on a first come, first served basis, provided that threshold criteria are met and funds are available.

Successful applicants will receive a loan from HUD, but the Commonwealth guarantees the repayment of the loan. The Commonwealth pledges its future CDBG grant funds to repay the federal government should a non-entitlement recipient of a Section 108 Loan default. DHCD will not pledge other collateral of the Commonwealth in support of proposals. Any additional security required by HUD must come from another source.

Project applications must meet all applicable criteria outlined for EDF community grants. However, the format of any final loan application will be determined by HUD.

Active Section 108 Loan Activities

Everett – \$1 million Section 108 loan for roadwork (right-of-way & construction) for the Norman St./Internet Dr. intersection and entryway into the Rivers Edge (previously Telecom City) project area. The debt service for years 1-8 (FY 2007 – 2014) will be funded with a \$1.2 million Brownfield's Economic Development Initiative (BEDI) grant.

In addition, DHCD and HUD approved the following Section 108 Loan Guarantee project in 2003.

North Adams - Massachusetts Museum of Contemporary Art (MASS MoCA): Approximate \$4.3 million loan to partially fund real estate development by the non-profit museum foundation. The \$13 million project involves rehabilitation of two buildings. This project is Phase II of the City and MASS MoCA's revitalization plan for one of North Adams' most distressed neighborhoods.

Loan Default

In the event of loan default, DHCD must be prepared to repay the Section 108 loans to HUD out of the Commonwealth's annual CDBG allocation. In addition to a pledge of future CDBG funds, collateral is provided from other sources, and the two noted above will be heavily collateralized with non-CDBG resources. The possibility exists, however, that the loans default and will need to be repaid from the annual allocation. In FY 2013 the potential liability, or repayment total, could be up to \$330,000 in the event of loan default.

If the loans do not default, or if there is default but the collateral is sufficient to cover the loan repayment (or a portion thereof), then DHCD will reallocate the budgeted default amount among other program components.

Please note that DHCD and HUD scrutinize Section 108 projects very carefully since any loan defaults are guaranteed by future CDBG funds and therefore could significantly affect availability of funds in future years.

Recent HUD rule changes allow States to apply for Section 108 funding on behalf of non-entitlements. One option is to submit a generic application and to provide HUD with the specifics of individual projects as they materialize. For FY 2013, DHCD may apply for up to \$10,000,000 in Section 108 loan guarantee authority for this purpose which target residential/mixed use development and public facilities/infrastructure projects that require gap financing of \$500,000 - \$5,000,000.

6. RESERVES

An initial allocation of \$750,000 will be available for the Reserves component. Consistent with *Section E. ALLOCATION OF CDBG FUNDS TO THE COMMONWEALTH*, funds may be recaptured by or returned to DHCD at any time during the program year, or reallocated to and from program components including the Reserves component. This may result in an increase or decrease to the initial allocation.

On occasion applications, or portions thereof, that were not funded during the competitive process may be considered by the Undersecretary of DHCD to be particularly worthy, innovative, or address an overarching local, regional, or statewide need. Such projects may be funded through the Reserves.

Funds may also be made available for projects throughout the program year that are consistent with Massachusetts' CDBG priorities, as outlined in *Section A.*, particularly those that address the Administration's goal of developing and/or preserving affordable workforce housing opportunities.

The application materials for Reserves will provide guidance to potential grantees on how to structure their applications. The Department's interest in providing Reserves funding for projects will be determined by a review of the proposed project to determine consistency with the goals and priorities cited above and that the activity is eligible, feasible and ready to proceed. Once complete, applications will be funded in the order in which they are received.

All Projects funded under Reserves must meet, at a minimum, CDBG national objective and eligibility requirements, applicable rules and regulations, and project feasibility thresholds. Awards are generally

limited to a maximum of \$750,000. Please contact Leverett Wing, Associate Director of the Division of Community Services, at 617 573-1401 with any inquiries about Reserves.

7. ADMINISTRATION AND TECHNICAL ASSISTANCE BY DHCD

The Commonwealth of Massachusetts uses CDBG funds for administrative costs incurred by DHCD during the operation of the Massachusetts CDBG Program. As allowed by federal statute, this amount will equal two percent (2%) of the entire annual grant allocation, plus \$100,000.

An additional one percent (1%) of the allocation will be used for direct technical assistance to eligible municipalities for guidance relating to housing, economic development, including downtown revitalization, community development strategy and plan preparation and use, technical assistance training for non-entitlement communities, fair housing training, and additional assistance determined necessary during the program year.

During this fiscal year DHCD will continue to support and upgrade its software and reporting systems. Technical assistance will be available to communities for downtown revitalization planning activities.

In addition, two percent (2%) of program income generated by state CDBG grantees shall be returned to the Mass CDBG Program on a bi-annual basis.

ONE-YEAR ACTION PLAN FOR FEDERAL FISCAL YEAR 2013

EXHIBITS

1. LIST OF ENTITLEMENT COMMUNITIES IN MASSACHUSETTS
2. MUNICIPALITIES NOT ELIGIBLE TO APPLY TO COMMUNITY DEVELOPMENT FUND (CDF) IN FY 2013
3. COMMUNITY WIDE NEEDS SCORES AND PROGRAM ELIGIBILITY
4. COMMUNITY-WIDE NEEDS INDICATORS
5. SUSTAINABLE DEVELOPMENT PRINCIPLES
6. GUIDANCE ON MEETING THE SUSTAINABLE DEVELOPMENT THRESHOLD
7. MASSACHUSETTS FAIR HOUSING MISSION STATEMENT AND PRINCIPLES

EXHIBIT 1

LIST OF ENTITLEMENT COMMUNITIES IN MASSACHUSETTS as of Federal Fiscal Year 2013

ARLINGTON	MALDEN
ATTLEBORO	MEDFORD
BARNSTABLE	NEW BEDFORD
BOSTON	NEWTON
BROCKTON	NORTHAMPTON
BROOKLINE	PEABODY
CAMBRIDGE	PITTSFIELD
CHICOPEE	PLYMOUTH
FALL RIVER	QUINCY
FITCHBURG	REVERE
FRAMINGHAM	SALEM
GLOUCESTER	SOMERVILLE
HAVERHILL	SPRINGFIELD
HOLYOKE	TAUNTON
LAWRENCE	WALTHAM
LEOMINSTER	WESTFIELD
LOWELL	WEYMOUTH
LYNN	WORCESTER
	YARMOUTH

EXHIBIT 2

MUNICIPAL ELIGIBILITY TO APPLY TO COMMUNITY DEVELOPMENT FUND (CDF) I AND II IN FY 2013

A single community may receive no more than \$1 million from any combination of federal FY 2013 Community Development Fund I or II, or Mini-Entitlement grant funds. Awards not subject to the \$1 million cap per community include the Economic Development Fund and Reserves.

Additionally, a single community may receive no more than \$1.35 million from Community Development Fund I within two successive years. Economic Development Fund and Reserves awards are not subject to the \$1.35 million cap per community.

As a result, FY 2013 award limits apply to the following FY 2012 grantees, in the following amounts:

Athol - \$452,311	Palmer - \$512,665
Buckland - \$663,680	Phillipston - \$835,796
Dennis - \$804,485	Provincetown - \$289,122
Fairhaven - \$480,667	Salisbury - \$500,000
Hardwick - \$575,630	Spencer - \$900,600
Harwich - \$901,309	Templeton - \$538,272
Montague - \$493,491	Tisbury - \$868,850
Oak Bluffs - \$840,141	Ware - \$557,615
Orange - \$650,000	Wellfleet - \$952,163

A Community Development Fund II community that receives an award from the Community Development Fund is precluded from applying to a Community Development Fund program for the following federal fiscal year, except that a community previously awarded funds solely for an architectural/engineering design or planning project may apply in the next federal fiscal year for funding to implement the project. However, the maximum grant award for implementation will be reduced by the amount of the previous design or planning grant.

DHCD has identified the following communities as ineligible applicants (except as noted) for Federal Fiscal Year 2013; each may apply again in the fiscal year noted in parentheses:

Abington (2014)	Hadley (2014)
Belchertown (2014)	Hubbardston (2014)
Deerfield (2014)	Milford (2014)
Gill (2014)	West Tisbury (2014)
Granby (2014)	Whitman (2014)

EXHIBIT 3

PROGRAM ELIGIBILITY AND COMMUNITY-WIDE NEEDS SCORES

City/Town	FY13 CWN Score	Eligible for CDF1	Eligible for CDF II	FY13 Mini- Entitlement
Abington town	26	X	X	
Acton town	14		X	
Acushnet town	25	X	X	
Adams town	31	X		
Agawam town	23		X	
Alford town	18		X	
Amesbury town	26	X	X	
Amherst town	28	X		
Andover town	14		X	
Aquinnah	30	X		
Ashburnham town	25	X	X	
Ashby town	25	X	X	
Ashfield town	23		X	
Ashland town	17		X	
Athol town	30	X		
Auburn town	25	X	X	
Avon town	28	X		
Ayer town	27	X		
Barre town	22		X	
Becket town	32	X		
Bedford town	16		X	
Belchertown town	21		X	
Bellingham town	20		X	
Belmont town	20		X	
Berkley town	19		X	
Berlin town	25	X	X	
Bernardston town	30	X		
Beverly city	25	X	X	
Billerica town	20		X	
Blackstone town	26	X	X	
Blandford town	19		X	
Bolton town	15		X	
Bourne town	31	X		
Boxborough town	15		X	

City/Town	FY13 CWN Score	Eligible for CDF1	Eligible for CDF II	FY13 Mini- Entitlement
Boxford town	12		X	
Boylston town	17		X	
Braintree town	24		X	
Brewster town	27	X		
Bridgewater town	19		X	
Brimfield town	24		X	
Brookfield town	24		X	
Buckland town	28	X		
Burlington town	21		X	
Canton town	19		X	
Carlisle town	14		X	
Carver town	25	X	X	
Charlemont town	28	X		
Charlton town	17		X	
Chatham town	25	X	X	
Chelmsford town	18		X	
Chelsea city	32			X
Cheshire town	27	X		
Chester town	30	X		
Chesterfield town	26	X	X	
Chilmark town	25	X	X	
Clarksburg town	28	X		
Clinton town	30	X		
Cohasset town	20		X	
Colrain town	28	X		
Concord town	14		X	
Conway town	18		X	
Cummington town	32	X		
Dalton town	25	X	X	
Danvers town	24		X	
Dartmouth town	25	X	X	
Dedham town	28	X		
Deerfield town	24		X	
Dennis town	30	X		
Dighton town	24		X	
Douglas town	18		X	
Dover town	12		X	
Dracut town	22		X	

City/Town	FY13 CWN Score	Eligible for CDF1	Eligible for CDF II	FY13 Mini- Entitlement
Dudley town	22		X	
Dunstable town	14		X	
Duxbury town	14		X	
East Bridgewater town	25	X	X	
East Brookfield town	25	X	X	
East Longmeadow town	17		X	
Eastham town	30	X		
Easthampton town	27	X		
Easton town	18		X	
Edgartown town	32	X		
Egremont town	25	X	X	
Erving town	30	X		
Essex town	28	X		
Everett city	35			X
Fairhaven town	30	X		
Falmouth town	27	X		
Florida town	31	X		
Foxborough town	18		X	
Franklin town	19		X	
Freetown town	20		X	
Gardner city	29			X
Georgetown town	18		X	
Gill town	23		X	
Goshen town	22		X	
Gosnold town	32	X		
Grafton town	22		X	
Granby town	22		X	
Granville town	25	X	X	
Great Barrington town	33	X		
Greenfield town	30			X
Groton town	15		X	
Groveland town	19		X	
Hadley town	22		X	
Halifax town	24		X	
Hamilton town	21		X	
Hampden town	16		X	
Hancock town	24		X	
Hanover town	18		X	

City/Town	FY13 CWN Score	Eligible for CDF1	Eligible for CDF II	FY13 Mini- Entitlement
Hanson town	21		X	
Hardwick town	28	X		
Harvard town	11		X	
Harwich town	32	X		
Hatfield town	24		X	
Hawley town	31	X		
Heath town	29	X		
Hingham town	14		X	
Hinsdale town	29	X		
Holbrook town	28	X		
Holden town	17		X	
Holland town	23		X	
Holliston town	17		X	
Hopedale town	19		X	
Hopkinton town	11		X	
Hubbardston town	19		X	
Hudson town	24		X	
Hull town	27	X		
Huntington town	24		X	
Ipswich town	23		X	
Kingston town	25	X	X	
Lakeville town	19		X	
Lancaster town	24		X	
Lanesborough town	24		X	
Lee town	29	X		
Leicester town	22		X	
Lenox town	26	X	X	
Leverett town	23		X	
Lexington town	14		X	
Leyden town	22		X	
Lincoln town	18		X	
Littleton town	18		X	
Longmeadow town	14		X	
Ludlow town	24		X	
Lunenburg town	21		X	
Lynnfield town	15		X	
Manchester town	21		X	
Mansfield town	19		X	

City/Town	FY13 CWN Score	Eligible for CDF1	Eligible for CDF II	FY13 Mini- Entitlement
Marblehead town	19		X	
Marion town	24		X	
Marlborough city	23		X	
Marshfield town	19		X	
Mashpee town	28	X		
Mattapoisett town	26	X	X	
Maynard town	26	X	X	
Medfield town	12		X	
Medway town	18		X	
Melrose city	21		X	
Mendon town	17		X	
Merrimac town	24		X	
Methuen town	31	X		
Middleborough town	25	X	X	
Middlefield town	32	X		
Middleton town	19		X	
Milford town	24		X	
Millbury town	25	X	X	
Millis town	19		X	
Millville town	24		X	
Milton town	20		X	
Monroe town	35	X		
Monson town	22		X	
Montague town	30	X		
Monterey town	25	X	X	
Montgomery town	16		X	
Mount Washington town	20		X	
Nahant town	21		X	
Nantucket town	32	X		
Natick town	18		X	
Needham town	14		X	
New Ashford town	19		X	
New Braintree town	21		X	
New Marlborough town	27	X		
New Salem town	23		X	
Newbury town	18		X	
Newburyport city	25	X	X	
Norfolk town	14		X	

City/Town	FY13 CWN Score	Eligible for CDF1	Eligible for CDF II	FY13 Mini- Entitlement
North Adams city	31			X
North Andover town	18		X	
North Attleborough town	24		X	
North Brookfield town	28	X		
North Reading town	19		X	
Northborough town	17		X	
Northbridge town	25	X	X	
Northfield town	25	X	X	
Norton town	20		X	
Norwell town	19		X	
Norwood town	23		X	
Oak Bluffs town	32	X		
Oakham town	19		X	
Orange town	32	X		
Orleans town	27	X		
Otis town	22		X	
Oxford town	25	X	X	
Palmer town	30	X		
Paxton town	17		X	
Pelham town	18		X	
Pembroke town	20		X	
Pepperell town	18		X	
Peru town	26	X	X	
Petersham town	26	X	X	
Phillipston town	29	X		
Plainfield town	30	X		
Plainville town	24		X	
Plympton town	22		X	
Princeton town	13		X	
Provincetown town	35	X		
Randolph town	25	X	X	
Raynham town	20		X	
Reading town	19		X	
Rehoboth town	18		X	
Richmond town	20		X	
Rochester town	20		X	
Rockland town	29	X		
Rockport town	28	X		

City/Town	FY13 CWN Score	Eligible for CDF1	Eligible for CDF II	FY13 Mini- Entitlement
Rowe town	29	X		
Rowley town	19		X	
Royalston town	28	X		
Russell town	27	X		
Rutland town	18		X	
Salisbury town	31	X		
Sandisfield town	24		X	
Sandwich town	21		X	
Saugus town	25	X	X	
Savoy town	29	X		
Scituate town	19		X	
Seekonk town	25	X	X	
Sharon town	14		X	
Sheffield town	30	X		
Shelburne town	32	X		
Sherborn town	14		X	
Shirley town	25	X	X	
Shrewsbury town	17		X	
Shutesbury town	23		X	
Somerset town	26	X	X	
South Hadley town	21		X	
Southampton town	14		X	
Southborough town	11		X	
Southbridge town	32			X
Southwick town	24		X	
Spencer town	29	X		
Sterling town	12		X	
Stockbridge town	27	X		
Stoneham town	25	X	X	
Stoughton town	25	X	X	
Stow town	13		X	
Sturbridge town	22		X	
Sudbury town	13		X	
Sunderland town	26	X	X	
Sutton town	17		X	
Swampscott town	21		X	
Swansea town	24		X	
Templeton town	27	X		

City/Town	FY13 CWN Score	Eligible for CDF1	Eligible for CDF II	FY13 Mini- Entitlement
Tewksbury town	20		X	
Tisbury town	34	X		
Tolland town	23		X	
Topsfield town	14		X	
Townsend town	19		X	
Truro town	31	X		
Tyngsborough town	18		X	
Tyringham town	17		X	
Upton town	19		X	
Uxbridge town	19		X	
Wakefield town	20		X	
Wales town	29	X		
Walpole town	18		X	
Ware town	30	X		
Wareham town	31			X
Warren town	28	X		
Warwick town	28	X		
Washington town	23		X	
Watertown town	25	X	X	
Wayland town	13		X	
Webster town	29			X
Wellesley town	13		X	
Wellfleet town	31	X		
Wendell town	25	X	X	
Wenham town	15		X	
West Boylston town	25	X	X	
West Bridgewater town	26	X	X	
West Brookfield town	22		X	
West Newbury town	13		X	
West Springfield town	31			X
West Stockbridge town	26	X	X	
West Tisbury town	22		X	
Westborough town	14		X	
Westford town	12		X	
Westhampton town	19		X	
Westminster town	24		X	
Weston town	15		X	
Westport town	21		X	

City/Town	FY13 CWN Score	Eligible for CDF1	Eligible for CDF II	FY13 Mini- Entitlement
Westwood town	14		X	
Whately town	24		X	
Whitman town	26	X	X	
Wilbraham town	18		X	
Williamsburg town	25	X	X	
Williamstown town	23		X	
Wilmington town	18		X	
Winchendon town	29	X		
Winchester town	14		X	
Windsor town	23		X	
Winthrop town	26	X	X	
Woburn city	25	X	X	
Worthington town	23		X	
Wrentham town	13		X	

EXHIBIT 4

COMMUNITY-WIDE NEEDS INDICATORS

MUNICIPALITY: COUNTY:	Score	2000(06)			Maximum Possible Points	
		Raw Number	Percent	Quartile		

A. INDIVIDUAL FACTORS

21.0	0.00
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Low/moderate income persons (US Census, 2000 universe: 0).....0	0.0	0	17.5	0.00
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Unemployment rate (average annual 2011)0	0.0	0	3.5	0.00
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B. COMMUNITY FACTORS

14	0.00
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% households w/housing cost burden>=30% of household income (US Census, American Community Survey (ACS) 2010 five-year estimate)	0	0.0	0	5.25	0.00
--	---	-----	---	------	------

Total levy per capita, % of per capita income \$ 0 (MA DOR 2011, US Census, ACS 2010 five-year estimate)		0.0	0	5.25	0.00
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Units built prior to 1940, % of total units.....0 (US Census ACS 2010 five-year estimate)	0	0.0	0	3.5	0.00
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A and B

35

EXHIBIT 5

Sustainable Development Principles

The Commonwealth of Massachusetts shall care for the built and natural environment by promoting sustainable development through integrated energy and environment, housing and economic development, transportation and other policies, programs, investments, and regulations. The Commonwealth will encourage the coordination and cooperation of all agencies, invest public funds wisely in smart growth and equitable development, give priority to investments that will deliver good jobs and good wages, transit access, housing, and open space, in accordance with the following sustainable development principles. Furthermore, the Commonwealth shall seek to advance these principles in partnership with regional and municipal governments, non-profit organizations, business, and other stakeholders.

1. Concentrate Development and Mix Uses

Support the revitalization of city and town centers and neighborhoods by promoting development that is compact, conserves land, protects historic resources, and integrates uses. Encourage remediation and reuse of existing sites, structures, and infrastructure rather than new construction in undeveloped areas. Create pedestrian friendly districts and neighborhoods that mix commercial, civic, cultural, educational, and recreational activities with open spaces and homes.

2. Advance Equity

Promote equitable sharing of the benefits and burdens of development. Provide technical and strategic support for inclusive community planning and decision making to ensure social, economic, and environmental justice. Ensure that the interests of future generations are not compromised by today's decisions.

3. Make Efficient Decisions

Make regulatory and permitting processes for development clear, predictable, coordinated, and timely in accordance with smart growth and environmental stewardship.

4. Protect Land and Ecosystems

Protect and restore environmentally sensitive lands, natural resources, agricultural lands, critical habitats, wetlands and water resources, and cultural and historic landscapes. Increase the quantity, quality and accessibility of open spaces and recreational opportunities.

5. Use Natural Resources Wisely

Construct and promote developments, buildings, and infrastructure that conserve natural resources by reducing waste and pollution through efficient use of land, energy, water, and materials.

6. Expand Housing Opportunities

Support the construction and rehabilitation of homes to meet the needs of people of all abilities, income levels, and household types. Build homes near jobs, transit, and where

services are available. Foster the development of housing, particularly multifamily and smaller single-family homes, in a way that is compatible with a community's character and vision and with providing new housing choices for people of all means.

7. Provide Transportation Choice

Maintain and expand transportation options that maximize mobility, reduce congestion, conserve fuel and improve air quality. Prioritize rail, bus, boat, rapid and surface transit, shared-vehicle and shared-ride services, bicycling, and walking. Invest strategically in existing and new passenger and freight transportation infrastructure that supports sound economic development consistent with smart growth objectives.

8. Increase Job and Business Opportunities

Attract businesses and jobs to locations near housing, infrastructure, and transportation options. Promote economic development in industry clusters. Expand access to education, training, and entrepreneurial opportunities. Support the growth of local businesses, including sustainable natural resource-based businesses, such as agriculture, forestry, clean energy technology, and fisheries.

9. Promote Clean Energy

Maximize energy efficiency and renewable energy opportunities. Support energy conservation strategies, local clean power generation, distributed generation technologies, and innovative industries. Reduce greenhouse gas emissions and consumption of fossil fuels.

10. Plan Regionally

Support the development and implementation of local and regional, state and interstate plans that have broad public support and are consistent with these principles. Foster development projects, land and water conservation, transportation and housing that have a regional or multi-community benefit. Consider the long-term costs and benefits to the Commonwealth.

EXHIBIT 6

Guidelines for Project Consistency with the Commonwealth's Sustainable Development Principles

Important choices about where and how Massachusetts will grow are made every day. These decisions have profound implications. While the Commonwealth has made progress, more needs to be done to ensure that the interests of future generations are not compromised by today's decisions.

It will take our cooperative efforts to build a greater quantity and diversity of housing, develop the businesses we need to provide jobs and increase revenue, and do a better job of acting as stewards of our natural resources for future generations. Governor Patrick's administration is interested in working in partnership with the development community and municipalities to improve our conservation and development practices. State policies, programs, and investments must encourage smart growth and development interests and municipalities must do the same. The Commonwealth has established a framework to insure a strong economic future for the state and a high quality of life for its residents by undertaking a comprehensive approach to housing and community investment in a way that respects landscape and natural resources. The administration believes that sustainable development can and should take place in all communities. To be successful, our investments must bring the housing market into equilibrium and enable the state to attract new businesses while making strategic land use choices. In order to achieve our housing and community development goals, we rely on our strategic partners to develop projects that enable us to optimize our limited natural and financial resources.

The administration has refined its 10 Principles of Sustainable Development as a way to articulate and describe this vision to our strategic partners and to guide our investment decisions. Projects seeking funding from DHCD's **Community Development Block Grant (CDBG)** programs must be consistent with the Principles of Sustainable Development in the manner described below. A community development project must adhere to Method 1, Method 2 or Method 3.

Method 1

Be consistent with **Concentrate Development and Mix Uses**. Support the revitalization of city and town centers and neighborhoods by promoting development that is compact, conserves land, protects historic resources, and integrates uses. Encourage reuse and rehabilitation of existing sites, structures, and infrastructure rather than new construction in undeveloped areas. Create pedestrian friendly districts and neighborhoods that mix commercial, civic, cultural, educational, and recreational activities with open space and homes.

In order to demonstrate consistency with this principle for Method 1, a project must:

- a. Involve the rehabilitation or redevelopment of, or improvements to, vacant or occupied, existing structures or infrastructure; or

b. If new construction, contribute to the revitalization of a town center or neighborhood and/or be walkable to transit; the downtown; a village center; a school; a multiple activity retail, services or employment center; or be located in a municipally-approved growth center.

Method 2

Be consistent with at least five (5) of the Sustainable Development Principles, of which one must be either **Protect Land and Ecosystems** or **Use Natural Resources Wisely**.

Method 3

IF a housing project involving new construction is sited on municipally owned or municipally provided land, involves municipal funding or is supported by a letter from the chief elected official of the municipality at the time of Project Eligibility or an application for funding, only four (4) of the Principles must be met, of which one must be **Concentrate Development and Mix Uses**, **Protect Land and Ecosystems** or **Use Natural Resources Wisely**. See Further Guidance below for examples of ways in which a project can be consistent with **Concentrate Development and Mix Uses** beyond the characteristics used in Method 1.

Further Guidance

Each Principle is listed below with examples of ways projects may demonstrate consistency. Projects need to satisfy only one of the examples, not all those listed; other ways to satisfy the Principles will also be considered.

Concentrate Development and Mix Uses: Support development that is compact, conserves land, integrates uses, and fosters a sense of place. Create walkable districts mixing commercial, civic, cultural, educational and recreational activities with open space and housing for diverse communities.

Examples of ways to demonstrate consistency:

- ☐ The project creates or supports mixed use.
- ☐ The project rehabilitates or redevelops existing structures or infrastructure.
- ☐ The project involves new construction that contributes to town or center revitalization.
- ☐ The project is at a higher density than the surrounding area.
- ☐ The project mixes uses or adds new uses to an existing neighborhood.
- ☐ The project produces multi-family housing.
- ☐ The project utilizes existing water and/or sewer infrastructure.
- ☐ The project is compact and/or clustered so as to preserve undeveloped land.

Advance Equity: Promote equitable sharing of the benefits and burdens of development. Provide technical and strategic support for inclusive community planning to ensure social, economic, and environmental justice. Ensure that the interests of future generations are not compromised by today's decisions.

Examples of ways to demonstrate consistency:

2013 HUD Action Plan

- ☐ The project involves a concerted public participation effort (beyond the minimally required public hearing), including the involvement of community members, residents of the development and/or key stakeholders in the planning and design of the project.
- ☐ The project conforms to Universal Design standards and/or incorporates features that allow for “visitability”.
- ☐ The project creates affordable housing in a neighborhood or community whose residents are predominantly middle to upper income and/or meets a regional need.
- ☐ The project targets a high-poverty area and makes available affordable homeownership and rental opportunities.
- ☐ The project promotes diversity and social equity and improves the neighborhood.

Make Efficient Decisions: Make regulatory and permitting processes for development clear, transparent, cost-effective, and oriented to encourage smart growth and regional equity.

- ☐ The project involves a streamlined permitting process, such as found in Ch. 40B, 40R or 43D.

Protect Land and Ecosystems: Protect and restore environmentally sensitive lands, natural resources, agricultural lands, critical habitats, wetlands and water resources, and cultural and historic landscapes. Increase the quantity, quality and accessibility of open spaces and recreational opportunities.

Examples of ways to demonstrate consistency:

- ☐ The project involves the creation or preservation of open space or passive recreational facilities.
- ☐ The project protects sensitive land, including prime agricultural land, and/or resources from development.
- ☐ The project involves environmental remediation or clean up.
- ☐ The project is part of the response to a state or federal mandate (e.g., clean drinking water, drainage).
- ☐ The project eliminates/reduces neighborhood blight.
- ☐ The project addresses a public health and safety risk.
- ☐ The project significantly enhances an existing community or neighborhood by restoring an historic landscape.

Use Natural Resources Wisely: Construct and promote developments, buildings, and infrastructure that conserve natural resources by reducing waste and pollution through efficient use of land, energy, water, and materials.

Examples of ways to demonstrate consistency:

- ☐ The project uses alternative technologies for water and/or wastewater treatment that result in land or water conservation.
- ☐ The project uses low impact development (LID) or other innovative techniques for storm water management that result in land or water conservation.
- ☐ The project repairs or rehabilitates sewer or water infrastructure to conserve resources.

Expand Housing Opportunities: Support the construction and rehabilitation of homes to meet the needs of people of all abilities, income levels, and household types. Build homes near jobs, transit, and where services are available. Foster the development of housing, particularly multifamily and smaller single-family homes, in a way that is compatible with a community's character and vision and with providing new housing choices for people of all means.

Examples of ways to demonstrate consistency:

- ☐ The project increases the number of rental units available to residents of the Commonwealth, including low- or moderate-income households.
- ☐ The project increases the number of homeownership units available to residents of the Commonwealth, including low- or moderate-income households.
- ☐ The project increases the number of housing options for special needs populations and people with disabilities.
- ☐ The project expands the term of affordability

Provide Transportation Choice: Maintain and expand transportation options that maximize mobility, reduce congestion, conserve fuel and improve air quality. Prioritize rail, bus, boat, rapid and surface transit, shared-vehicle and shared-ride services, bicycling, and walking. Invest strategically in existing and new passenger and freight transportation infrastructure that supports sound economic development consistent with smart growth objectives.

Examples of ways to demonstrate consistency:

- ☐ The project is walkable to public transportation.
- ☐ The project reduces dependence on private automobiles (e.g., provides previously unavailable shared transportation (such as Zip Car or shuttle buses).
- ☐ The project reduces dependence on automobiles by providing increased pedestrian and bicycle access.
- ☐ For rural areas, the project is located in close proximity (i.e., approximately 1 mile) to a transportation corridor that provides employment centers, retail/commercial centers, civic or cultural destinations.

Increase Job and Business Opportunities: Attract businesses and jobs to locations near housing, infrastructure, and transportation options. Promote economic development in industry clusters. Expand access to education, training, and entrepreneurial opportunities. Support the growth of local businesses, including sustainable natural resource-based businesses, such as agriculture, forestry, clean energy technology, and fisheries.

Examples of ways to demonstrate consistency:

- ☐ The project creates or retains permanent jobs.
- ☐ The project creates or retains permanent jobs for low- or moderate-income persons.
- ☐ The project locates jobs near housing, service or transit.
- ☐ The project supports natural resource-based businesses, such as farming, forestry, or aquaculture.
- ☐ The project involves the manufacture of resource-efficient materials, such as recycled or low toxicity materials.

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☐ The project supports businesses which utilize locally produced resources such as locally harvested wood or agricultural products.

Promote Clean Energy: Maximize energy efficiency and renewable energy opportunities. Support energy conservation strategies, local clean power generation, distributed generation technologies, and innovative industries. Reduce greenhouse gas emissions and consumption of fossil fuels.

Examples of ways to demonstrate consistency:

- ☐ The project complies with EPA's Energy Star guidelines or with a similar system.
- ☐ The project uses a renewable energy source, recycled and/or non-/low-toxic materials, exceeds the state energy code, is configured to optimize solar access, and/or otherwise results in waste reduction and conservation of resources.
- ☐ The project reuses or recycles materials from a local or regional industry's waste stream.

Plan Regionally: Support the development and implementation of local and regional, state and interstate plans that have broad public support and are consistent with these principles. Foster development projects, land and water conservation, transportation and housing that have a regional or multi-community benefit. Consider the long-term costs and benefits to the Commonwealth.

Examples of ways to demonstrate consistency:

- ☐ The project is consistent with a municipally supported regional plan that identifies sub region, area or location, and the number and type of housing units or jobs needed.
- ☐ The project addresses at least one of the barriers identified in a regional Analysis of Impediments to Fair Housing.
- ☐ The project has a measurable public benefit beyond the applicant community.

NOTES:

Projects that entirely serve to eliminate a public health or safety risk (e.g., demolition of a blighted structure) are exempt from the Sustainable Development threshold. In addition, CDBG-funded Public Social Service and business assistance for projects not requiring construction are also exempt. Projects seeking funding from the state's community development programs remain subject to the specific programmatic requirements. Similarly, projects proposed under c. 40B are governed by MGL c. 40B Sections 20-23, and applicable regulations, as well as all Fair Housing Laws. Projects should also demonstrate consistency with the Commonwealth's Fair Housing Principles, attached at the end of this document.

EXHIBIT 7

Massachusetts Fair Housing Mission Statement and Principles

The mission of DHCD through its programs and partnerships is to be a leader in creating housing choice and providing opportunities for inclusive patterns of housing occupancy to all residents of the Commonwealth, regardless of income, race, religious creed, color, national origin, sex, sexual orientation, age, ancestry, familial status, veteran status, or physical or mental impairment.

It shall be our objective to ensure that new and ongoing programs and policies affirmatively advance fair housing, promote equity, and maximize choice. In order to achieve our objective, we shall be guided by the following principles:

- 1. Encourage Equity.** Support public and private housing and community investment proposals that promote equality and opportunity for all residents of the Commonwealth. Increase diversity and bridge differences among residents regardless of race, disability, social, economic, educational, or cultural background, and provide integrated social, educational, and recreational experiences.
- 2. Be Affirmative.** Direct resources to promote the goals of fair housing. Educate all housing partners of their responsibilities under the law and how to meet this important state and federal mandate.
- 3. Promote Housing Choice.** Create quality affordable housing opportunities that are geographically and architecturally accessible to all residents of the commonwealth. Establish policies and mechanisms to ensure fair housing practices in all aspects of marketing.
- 4. Enhance Mobility.** Enable all residents to make informed choices about the range of communities in which to live. Target high-poverty areas and provide information and assistance to residents with respect to availability of affordable homeownership and rental opportunities throughout Massachusetts and how to access them.
- 5. Promote Greater Opportunity.** Utilize resources to stimulate private investment that will create diverse communities that are positive, desirable destinations. Foster neighborhoods that will improve the quality of life for existing residents. Make each community a place where any resident could choose to live, regardless of income.
- 6. Reduce Concentrations of Poverty.** Ensure an equitable geographic distribution of housing and community development resources. Coordinate allocation of housing resources with employment opportunities, as well as availability of public transportation and services.
- 7. Preserve and Produce Affordable Housing Choices.** Encourage and support rehabilitation of existing affordable housing while ensuring that investment in new housing promotes diversity, and economic, educational, and social opportunity. Make

housing preservation and production investments that will create a path to social and economic mobility.

8. Balance Housing Needs. Coordinate the allocation of resources to address local and regional housing need, as identified by state and community stakeholders. Ensure that affordable housing preservation and production initiatives and investment of other housing resources promote diversity and social equity and improve neighborhoods while limiting displacement of current residents.

9. Measure Outcomes. Collect and analyze data on households throughout the housing delivery system, including the number of applicants and households served. Utilize data to assess the fair housing impact of housing policies and their effect over time, and to guide future housing development policies.

10. Rigorously Enforce All Fair Housing and Anti-Discrimination Laws and Policies. Direct resources only to projects that adhere to the spirit, intent, and letter of applicable fair housing laws, civil rights laws, disability laws, and architectural accessibility laws. Ensure that policies allow resources to be invested only in projects that are wholly compliant with such laws.

Appendix C: Fair Housing Update

Fair housing is embedded in all the state's housing programs and activities. Massachusetts' fair housing policy is expressed through its Fair Housing Mission Statement and Principles.¹⁰ The Analysis of Impediments to Fair Housing Choice (AI), completed in 2007 is available at <http://www.mass.gov/hed/economic/eohed/dhcd/legal/fair-housing-and-civil-rights-information.html>. A Fair Housing Advisory Panel comprised of fair housing advocates, representatives of quasi-public state agencies, and state and local enforcement agencies, assisted with development of the AI and continues to provide input to DHCD.

***Note on Update to Analysis of Impediments to Fair Housing Choice:**

DHCD is currently engaged in the AI update process and has reconvened its Fair Housing Advisory Panel, which includes fair housing advocates, federal (HUD), state, and local officials, for-profit and non-profit agencies, and other stakeholders, as part of this process. The update is currently anticipated for completion in 2013. A draft version of the AI update for comment is anticipated by the end of the first quarter. The remainder of this Appendix discusses current documents that are complementary to the AI, summarizes key steps taken to overcome impediments to fair housing choice and as well as current priority action areas, updates measurable objectives for 2010-2014, and outlines various impediments for discussion in the AI update.

Complementary Documents: DHCD Affirmative Fair Housing and Civil Rights Policy and Action Plans:

Subsequent to the completion of the June 2007 AI, DHCD expanded its analysis of fair housing impediments and included responsive implementation planning through its Affirmative Fair Housing and Civil Rights Policy in April 2009, available at: <http://www.mass.gov/hed/docs/dhcd/hd/fair/affirmativefairhousingp.pdf>.

With the panel's input, the Policy consists of the following components: legal context; policy goals; implementation methods for leveraging financial resources to further fair housing, including fair housing evaluation criteria for discretionary funding of project sponsors/developers and municipalities and promotion of diverse housing types for families with children and persons with disabilities; broadening access for persons of limited English proficiency; and affirmative fair housing initiatives. Full implementation of the policies and detailed action steps is expected to take several years, but key objectives for the 2010-2014 period can be found in the Consolidated Plan.

Additionally, consistent with HUD's September 2, 2004 Memorandum, DHCD includes actions it plans to overcome the effects of impediments to fair housing choice through its Consolidated/Action Plans. Such Plans are available at: <http://www.mass.gov/hed/community/planning/consolidated-and-action-plans.html>.

Key Steps taken to Overcome Impediments to Fair Housing Choice:

The following outlines and updates key steps taken towards overcoming fair housing impediments (note that this is not an all-inclusive list of identified impediments or action steps):

¹⁰ <http://www.mass.gov/hed/docs/dhcd/hd/fair/03.pdf>.

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Impediment: Inadequate Enforcement of Fair Housing Laws Persist, and There is Not Sufficient Education about Fair Housing throughout the Housing Delivery System

Action Steps:

- Increased DHCD staff knowledge of fair housing laws and obligations through staff trainings and guidance and incorporated fair housing principles into programs and activities.
- Created DHCD Affirmative Fair Housing and Civil Rights Policy and Language Access Plan.
- Implemented civil rights review of DHCD discretionary funding applicants.
- Facilitated education for community stakeholders on fair housing laws and DHCD's Affirmative Fair Housing and Civil Rights policy (for example: trainings for local housing authorities, housing consumer education centers, community action agencies, affordable housing lottery agents, regional groups, etc.; outreach through trade organization events by the Massachusetts Chapter of the National Association of Housing & Redevelopment Officials, Massachusetts Union of Public Housing Tenants, Citizens' Housing and Planning Association, Metropolitan Area Planning Council, Boston Society of Architects, Commonwealth Housing Task Force, Boston Foundation, Boston Bar Association, etc.).
- Quasi-public partners also engaged in trainings and outreach that incorporate fair housing (e.g., MassHousing TAP trainings for management companies, Massachusetts Housing Partnership Housing Institute conferences, etc.).

Impediment: There Exists a Persisting Lack of Knowledge Regarding the Housing Rights of People with Disabilities, and Ongoing Segregation and Stigmatization of People with Disabilities

Action Steps:

- Conducted trainings on Reasonable Accommodations/Modifications and Program Access for staff and providers such as local housing authorities, community action agencies, etc.
- Issued public notices to local housing authorities and regional non-profits (administering voucher programs) regarding reasonable accommodations/modifications, program access, and other disability-related issues.
- Engaged a consultant to provide a Self-Evaluation/Transition Guide and to assist with improving capital planning tools and materials for Local Housing Authorities in assessing barriers to accessibility.
- Updated capital planning tools and materials.
- Currently exploring potential funding resources to increase accessibility in state-aided public housing. Required reporting of accessible units through MassAccess, an online affordable and accessible housing registry, pursuant to DHCD's Affirmative Fair Housing and Marketing Plan guidelines.
- Continued funding and supported expansion of the Community Based Housing and Facilities Consolidation Fund programs, including by allowing for-profit developers to serve as project sponsors.
- Following the Money Follows the Person grant demonstration program, administered through the Executive Office of Health and Human Services ("EOHHS"), on housing and services options for individuals transitioning from institutions into the community, DHCD began planning with other state agencies to further support community-based living for persons with disabilities. One current example is the Joint Committee on Housing for Persons with Disabilities that DHCD has convened with the Massachusetts Executive Office of Health and Human Services. The task force is developing strategies for

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expanding community-based housing options for persons with disabilities, including through implementation of the new state law “An Act Relative to Community Housing and Services”¹¹ and submission of a joint application and MOU to HUD under the revised Section 811 Program.

Impediment: There is a Paucity of Data on Occupants of Subsidized Housing

Action Steps:

- Implemented state Data Collection statute to collect current, accurate, and detailed information on the number, location, and residents (including race/ethnicity data) of assisted housing units and recipients of state or federal rental assistance in Massachusetts in the affirmative furtherance of fair housing.
- Collaborated to link Data Collection results with the Kirwan Institute “opportunity area” indicators (e.g., areas low in poverty and crime and high in access to good education and employment, etc.).
- Convened “Area of Opportunity” roundtable for key housing agency decision-makers to discuss such data.

Impediment: Greater Incorporation of Fair Housing Principles in DHCD Programs and Activities is Needed; Linking Housing, Community, and Transportation Planning and Development is also Needed to Promote Fair Housing and Regional Equity

Action Steps:

- Incorporated Fair Housing Mission Statement and Principles and Sustainable Development Principles into programs and funding review.
- Revised the state’s Low Income Housing Tax Credit Allocation Plan (“QAP”):
 - Increased competitive scoring points for developments located in areas low in poverty and subsidized housing
 - Increased points for developments with increased accessibility or features of universal design or visitability
 - Decreased points for local support
 - Removed requirement for municipal approval
 - Incorporated various universal design features into its fundamental project characteristics design scoring
 - Enhanced “comprehensive neighborhood revitalization” criteria
- Explicitly incorporated AFHMP requirements in the state’s Comprehensive Permit/Low or Moderate Income Housing regulations implementing Massachusetts General Laws Chapter 40B.
- Created Affirmative Fair Housing Marketing Plan (“AFHMP”) guidelines for applicability across state programs. (DHCD is currently in the process of revising the AFHMP guidelines to further DHCD fair housing policies.)
- Analyzed housing mobility towards high opportunity neighborhoods for DHCD’s Section 8 Moving to Work (“MTW”) program initiative.

¹¹ The law requires 18 state agencies to draft and execute a memorandum of understanding that includes an action plan to coordinate and procure services, capital subsidies, and operating subsidies. The ultimate goal is to create up to 1,000 units of supportive housing by December 31, 2015.

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- Continued to promote public transportation access through TOD Infrastructure and Housing Support Program.
- Partnered (EOHED) with regional planning agencies and other regional organizations to develop the 495/MetroWest Compact Development Plan. The Plan is intended to further regional equity by coordinating job growth with development in transportation, housing, and other investments, thereby increasing both opportunities and *meaningful access* to opportunities by protected classes in the region.
- Engaged in the Governor's Commission on Public Housing Sustainability and Reform. The Commission was charged with developing recommendations to ensure the long-term viability of state-aided public housing as a resource for serving low-income persons, including families with children, persons with disabilities, and the elderly.

Impediment: Restrictive Local Zoning Frustrates the Ability to Achieve Fair Housing Objectives and Benefits throughout Massachusetts

Action Steps:

- Continued promotion of Chapter 40B, Chapter 40R, inclusionary zoning, and Smart Growth tools that advance fair housing principles, including through conferences, outreach, and technical assistance by DHCD's Office of Sustainable Communities.
- EOHED is currently evaluating and supporting revisions to Massachusetts zoning statute, Chapter 40A, which would further reduce local zoning barriers to multifamily and affordable housing and related litigation. This effort has included EOHED engagement with the state legislature, cities and towns, and other interested groups in proposing the Land Use Partnership Act ("LUPA").¹²

Impediment: Homeownership and Rental Opportunities for Low/Moderate Income Households are Limited due to Escalating Prices and at Risk Affordable Housing Stock

Action Steps:

- Protected at risk affordable housing stock through Massachusetts General Laws Chapter 40T, "An Act Preserving Publicly Assisted Affordable Housing," which grants authority to DHCD to make an offer and/or respond to a right of first refusal when the owner of a covered property intends to sell the property. Since Chapter 40T was enacted in 2009, no project has lost affordability as a result of a sale, and in 2010-2011 alone, 6,100 units were preserved.
- Improved foreclosure prevention educational efforts, including through the DHCD funded Housing Consumer Education Centers.
- Improved stabilization in communities that were affected by the foreclosure crisis, many of which have higher racial/ethnic minority populations, through distribution of federal Neighborhood Stabilization Program funds. These funds were used primarily for the acquisition and rehabilitation of abandoned and foreclosed properties.
- Increased community revitalization in low-income, minority, and immigrant areas through Gateway Plus Action Grants to increase economic opportunities and civic engagement and planning, as well as to increase diversity of housing options. DHCD also created the Housing Development Incentive Program ("HDIP"), a new state tax-credit program to spur market-rate housing development in the Commonwealth's 24 Gateway Cities.

¹² The Land Use Partnership Act is legislation that resulted from the Zoning Reform Task Force deliberations between 2007 and 2009. The bill was filed for consideration during the 2009-2010 Legislative Session, and again during the 2011-2012 Legislative Session.

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- Furthered mixed-finance options to increase rental affordability for very low-income households by leveraging private funds along with public housing, project-based vouchers, and/or other subsidy programs.
- Introduced significant reforms in homelessness prevention and rehousing through a “housing first” strategy. This strategy will now more fully integrate supportive services, including for persons with disabilities, in coordination with the aforementioned Act Relative to Community Housing and Services.

Impediment: Language Barriers Faced by Recent Immigrants Create an Increased Challenge to Mobility

Action Steps: address linguistically isolated households

- Participated in the Governor’s Advisory Council on Refugees and Immigrants and development of a New Americans Agenda for Massachusetts.
- Finalized Language Access Plan (“LAP”) and accompanying guidance.
- Contracted with vendor for ongoing over-the-phone interpretation service.
- Completed DHCD all staff protocols for utilizing interpreter and translation services.
- Translated key phrases for inclusion in DHCD program notices and/or documents to notify persons with LEP of important and legal documents and the right to free language assistance.
- Translated and continue to translate vital DHCD program documents.
- Conducted and planning further outreach on language access obligations, including for entities administering DHCD programs.

Impediment: Local Selection Preferences and Potential Discriminatory Impacts

- Supported a local preference study that primarily examined the level of participation by racial and ethnic minority households through a sample of state-assisted (private) affordable housing lotteries and developments in comparison to the racial and ethnic makeup of the community and region of such development.
- The study found that racial/ethnic minority participation was strong overall and did not conclude that use of local (residency) preference has had disparate impact on racial/ethnic minority groups, although this is likely due, at least in part, to state policies intended to mitigate this impact.
- DHCD will continue to consider the potential fair housing effects of local preferences and re-evaluate regulations and guidelines that address such preferences in state public as well as private housing programs.

Current Priority Action Areas:

Further Access to “Areas of Opportunity”

- Invest and preserve resources to create areas of opportunity for range of households

Neighborhoods in Massachusetts and across the country that are identified as areas of concentrated poverty, which strongly correlate with areas of racially/ethnically concentrated poverty, often suffer disinvestment and lack the opportunities of higher income communities. As the thousands of Massachusetts households across all protected classes that reside in “lower opportunity” areas may not have the ability, means, or desire to relocate to “higher opportunity” communities, further action is needed to create new opportunities. While new federal initiatives such as Choice Neighborhoods are being implemented, the state is also focusing on initiatives to spur investment in distressed communities, including through the

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Gateway Cities, HDIP, and other programs discussed above. DHCD will also be enhancing partnerships with non-governmental entities by providing grants to Community Development Corporations to increase economic opportunities for lower income households pursuant to the Community Development Partnership Act.

Additionally, DHCD will be administering a two million dollar award from the Attorney General's Office (which the AGO obtained through a nationwide state-federal settlement over unlawful foreclosures) to assist in the acquisition and rehabilitation of foreclosed properties. With this funding, DHCD will be able to continue to assist the Neighborhood Stabilization Loan Fund, which is administered by the Massachusetts Housing Investment Corporation and the Massachusetts Housing Partnership.

■ Invest to increase access to existing areas of opportunity

Given the ongoing patterns of racial/ethnically concentrated areas impacted by poverty in the Commonwealth, the limited affordable housing in non-impacted areas, and the consequent barriers that households of color have to accessing these communities, an essential element of DHCD's efforts to meet its affirmative fair housing obligation must be to manage our housing programs to create and/or enhance resources, particularly affordable, quality housing, in non-impacted areas. This will be achieved by balancing (1) the affirmative obligation to support investment, particularly in affordable rental family housing, in non-impacted areas in order to open up access to the life-long benefits of such areas to all residents, with (2) strategic housing and community development re-investment in impacted areas in order to support efforts to foster and enhance opportunity in such neighborhoods. DHCD will consider publicly available data as a reference point for understanding the resources and challenges of our communities. DHCD's programs will seek to identify and fund housing and community development projects that achieve the goal of connecting households, particularly households of color, with educational, employment and public health opportunities.

DHCD has made significant alterations to its housing development funding application process to, inter alia, improve the integration of housing development with access to opportunity locations. Namely, DHCD has formulated key funding priority categories outlined below that developer applications must satisfy in order to be considered and proceed to full application review. Furthermore, DHCD has proposed, through its Draft 2013 QAP (also outlined below), a more detailed schema for defining and awarding discretionary points for development based on "location in an area of opportunity."

HOUSING DEVELOPMENT FUNDING PRIORITIES

(<http://www.mass.gov/hed/docs/dhcd/hd/lihtc/hs-developmentfunding.pdf>)

(6/19/12)

PRIORITY CATEGORIES

Applications to DHCD in the October 2012 rental round will be required to fit within one or more of the following categories:

1) Housing for extremely low-income (ELI) individuals, families, and seniors earning less than 30 percent of area median income with a particular focus on those who are homeless or at risk of homelessness. Projects in this category must be supported by tenant services and include at least 20 percent ELI units. Projects can serve families or individuals, seniors, persons with disabilities, and persons with special needs.

2) Investment in distressed and at-risk neighborhoods where strategic housing investment has a strong likelihood of catalyzing private investment, improving housing quality, and promoting occupancy at a range of household incomes. Projects in this category include projects located in the Commonwealth's 24 Gateway Cities and/or Qualified Census Tracts (QCTs, as defined by Section 42 of the Internal Revenue Code). Projects serving families, seniors, persons with disabilities, or populations with special needs are eligible in this category.

3) Preservation of existing affordable housing that extends affordability in situations that are consistent with QAP policies and the preservation working group policies (matrix). To be eligible to apply for 9 percent tax credits, a sponsor must demonstrate that the project is infeasible with 4 percent credits and tax-exempt financing. Projects serving families, seniors, persons with disabilities, or populations with special needs are eligible in this category.

4) Family housing production in neighborhoods and communities that provide access to opportunities, including but not limited to, jobs, transportation, education, and public amenities. Access to opportunity locations will be defined by publicly-available data. At least 65 percent of the units in a project must be 2 BR or larger, and at least 10 percent must be 3 BR, unless that percentage of 2BR or 3 BR units is infeasible or unsupported by public demand. Projects serving families, including families with a member with a disability or special needs, are eligible in this category.

ADDITIONAL CONSIDERATIONS

Projects that fall into one or more of these four funding categories and that also meet pre-screening criteria and QAP threshold criteria will be competitively scored. In order to achieve a balance between locations and housing types and to promote the most effective uses of limited public subsidy, the Department also will consider the following:

Geographic Balance

It is important to ensure that changes to the QAP do not disproportionately affect particular regions or types of communities. DHCD currently considers geographic distribution in making funding decisions and will continue to do so.

Location and Transportation

Housing affordability is now often defined by the combination of housing costs and transportation costs. The competitive scoring of state funding applications should take this into account through enhanced scoring for transit-oriented developments with the possibility of additional points for projects located in close proximity to public transportation (for example: within ¼ mile of a rapid transit or community rail station).

Subsidy Efficiency

Given the increasingly constrained subsidy resources, DHCD must evaluate the amount of state subsidy requested per affordable unit. This evaluation may include leveraging of local financial support, donated land, and other resources. However, DHCD recognizes that certain smaller, mission-driven projects (such as housing for formerly homeless households) tend to require more subsidies per affordable unit.

Community Development Impact

The Department seeks to support affordable housing projects that also advance broader community development goals while understanding that such strategies will vary from municipality to municipality. An ideal community development strategy would address multiple goals and may include: the role of residents, local businesses and other local stakeholders in the development process; whether the project is part of a series of connected or linked real estate projects that together are designed to revitalize the area; whether the project or development sponsor links residents to community services, such as education, workforce development,

recreation, and other amenities; or whether the project is part of a neighborhood or community plan that was developed with community input and leadership, whether or not it is an official municipal plan.

DRAFT 2013 QAP

(<http://www.mass.gov/hed/docs/dhcd/hd/lihtc/draft2013qap.pdf>)

Location in an Area of Opportunity

For purposes of allocating the credit in 2013, DHCD has established four priority funding categories, including location of a family project in an “area of opportunity.” In 2013, DHCD also is awarding special project points for location within an area of opportunity. The Department defines an area of opportunity in part as a neighborhood or community with a relatively low concentration of poverty based on U.S. Department of HUD data. In addition, DHCD identifies an area of opportunity as a neighborhood or community that offers access to opportunities such as jobs, health care, high-performing school systems, higher education, retail and commercial enterprise, and public amenities. To determine whether a location is an area of opportunity, sponsors should use publicly available data such as employment statistics; location near mass transit, green space, and other public amenities; educational testing data; and so on. Sponsors also should confirm with DHCD that their evaluation of an area of opportunity is consistent with the Department’s evaluation, since the Department will make the ultimate decision.

To be eligible to receive points within this category, a family housing project typically must be located in a census tract with a poverty rate below 15%. Projects located in municipalities with overall poverty rates below 15% may also qualify for points within this scoring category. On a case by case basis, at its sole discretion, the Department will permit certain projects to receive points in this category if the poverty rate in the census tract and/or the municipality is 15% or higher, as long as the project is located in an area with compelling attributes that make the location desirable to renters.

To be eligible to receive points within this category, a family housing project also must include certain design characteristics: the project must be configured to contain at least 65% two-bedroom or larger units and at least 10% three-bedroom units, unless either percentage is demonstrated to be infeasible or unsupported by public demand.

If the thresholds described above have been met, DHCD will award points within this category as follows:

Up to 8 points for strength of public school system:

Points will be awarded to family housing projects as follows based on the percentage of 10th grade students that score in the Advanced or Proficient categories using an average of the 3 MCAS tests (English Language Arts, Mathematics, and Science and Technology Engineering) as available at http://profiles.doe.mass.edu/state_report/mcas.aspx :

90% or above: 8 points
85% or above: 6 points
80% or above: 4 points
75% or above: 2 points

Up to 6 points for access to employment:

Points will be awarded as follows based on the proximity to jobs of the municipality in which the family housing project is located as defined by average vehicle miles travelled by commuter as available at <http://www.mass.gov/hed/housing/affordable-rent/low-income-housing-tax-credit-lihtc.html> :
5 miles or less: 6 points

7 miles or less: 4 points

9 miles or less: 2 points

Up to 2 points for access to higher education:

Two points will be awarded within this category to family housing projects located within two miles of community colleges and/or state colleges/universities within the University of Massachusetts system.

Up to 2 points for access to health care:

Two points will be awarded within this category to family housing projects located within one mile of a major health care facility, such as a hospital, an urgent care center, or a neighborhood health clinic.

The maximum number of points awarded in this category will be 14 points.

In addition to promoting affordable housing development in “opportunity” locations, which still encounters various barriers (e.g., local zoning restrictions) and limitations (e.g., high land and development costs), fair housing choice must also include opportunities for families and individuals to seek various types of housing across the state, including non-subsidized developments. However, such “mobility,” particularly for low-income households, has its own barriers (e.g., inadequate access to resources, high rent, discrimination), such as those further discussed in DHCD’s AI/AI update. In response to mobility barriers, DHCD included a pilot mobility initiative in its Section 8 Moving to Work Administrative Plan (from the HUD approved FY13 Annual MTW Plan) summarized below.

(<http://www.mass.gov/hed/docs/dhcd/ph/mtw/hudapprovedgy13mtw-plan.pdf>):

Description of MTW Activity: DHCD will establish an “Opportunity Neighborhood” program in one or more selected neighborhoods in different regions throughout the Commonwealth. The majority of academic research and literature indicates that where a person lives determines (to various degrees), the opportunities afforded to them. In 2009, the Kirwan Institute completed an extensive mapping project of the geography of opportunity areas in Massachusetts. They looked at 19 different indicators of opportunity from three different categories of opportunity: educational, economic and neighborhood/housing. The purpose of DHCD’s “Opportunity Neighborhood” MTW initiatives to provide significant supports and encouragement to existing voucher participants and/or new voucher holders who wish to move to areas with empirically-documented improved educational systems, job opportunities, social services and other opportunities in the expectation that over time their need for housing and other subsidies will abate or diminish. Existing participants and/or voucher holders moving into these areas will be provided with case management support both before and after the move through the participating regional administering agencies. Other incentives may be provided based on family needs and budget availability such as transportation assistance, child care referrals, training stipends, etc. Families will be encouraged or required to develop a family plan to access opportunities in their new neighborhoods with a special focus on positive outcome educational programs for children and available jobs for adults. Where appropriate, participants will also be encouraged to participate in the Family Self Sufficiency Program. DHCD will identify Opportunity Neighborhoods using a framework developed by the Kirwan Institute for the Study of Race and Ethnicity at Ohio State University and other research and literature.

DHCD proposes to measure the number of households moving and/or residing in opportunity neighborhoods, the increase in household income and the increase in educational attainment. The current baseline of households served under this program is zero. DHCD has established a benchmark of 30 current participating voucher households to be served under this initiative during the first year of operation. If DHCD cannot identify current participants, it will work with its

partners in the targeted neighborhood to identify prospective families, in which case these households would be served under DHCD's broader use authority. Individual household baseline information will be collected upon move-in to the opportunity neighborhood. Benchmarks related to educational attainment of household youth and household income will be established.

To more expeditiously respond to reasonable accommodation requests and expand housing choice options in "low-poverty, high-opportunity" neighborhoods, DHCD will continue to utilize its MTW authority to approve payment standard exceptions without prior HUD approval.

DHCD may modify this initiative subject to available resources and input from DHCD's Fair Housing Advisory Panel and other groups.

■ Implement fair housing evaluation criteria on opportunity areas for discretionary grants and/or impose fair housing conditions on grants to opportunity areas

The policy of fair housing evaluation criteria for DHCD discretionary grants and funding proposed in DHCD's Fair Housing and Civil Rights Policy (2009) will be reviewed again, including other considerations incorporated into the criteria outlined below.

Fair Housing Evaluation Criteria for Discretionary Grants

Community Practice for Evaluation

- Zoning/land use bylaws
- Multi-family permitting denials
- Diversity of housing (building) types
- Diversity of subsidized housing for a range of income levels and family sizes (applications to subsidizing agencies considered)
- Availability of subsidized family housing (vs. age-restricted housing)
- The extent to which local housing authorities provide project-based vouchers
- Existence and implementation of an affordable housing plan
- Existence of an affordable housing partnership or other entity
- Use of CDBG and CPA funds
- Adoption of "Compact Neighborhoods"
- Discrimination complaints filed/discriminatory advertising
- Diversity of residents in the municipality
- Use of local residency selection preferences
- Extent of affirmative fair housing marketing efforts

- Diversity of residents in subsidized housing located in the municipality
- Fair housing civic engagement/outreach (e.g., fair housing training for community housing and planning employees, outreach to the community, civil rights commission or resource for responding to allegations of local discrimination, etc.)
- Application for and use of transportation/environmental/community development/other discretionary funds/community services to improve amenities that benefit and attract affordable housing of diverse types that serve a variety of incomes and protected classes, and that create areas of opportunity
- Participation in regional planning and development activities
- Efforts to increase accessibility, Visitability, and Universal Design
- Other efforts to create an open community (e.g., LEP services, fair housing related counseling)
- Title VI LEP compliance
- De-leading initiatives

Sponsor/Developer Practice for Evaluation

- Diversity of housing (building) types
- Diversity of subsidized housing for a range of income levels and family sizes (applications to subsidizing agencies considered)
- Discrimination complaints filed/discriminatory advertising
- Extent of affirmative fair housing marketing efforts

- Efforts to increase compliance with accessibility requirements and to increase Visitability and Universal Design
- Other efforts to create or further a diverse community through the proposed housing
- Title VI LEP compliance
- Partnerships with non-profits and other agencies to identify and address access barriers relative to opportunity for residents in the proposed housing development location

- Coordinate efforts with other state agencies administering discretionary grants to opportunity area communities

Despite the importance of DHCD's use and allocation of its discretionary funds to communities, the leverage that such funds may have, i.e., in reducing local barriers to housing, is somewhat limited considering that many communities are not eligible for (because they receive funding directly from the federal government), *or* seek, DHCD administered funds. Therefore, further inter-agency discussion is needed to determine what actions are likely to have the most impact in terms of broadening fair housing choice and access to opportunity beyond housing.

Such discussions are set to occur, as Governor Patrick has directed the state's Assistant Secretary for Access and Opportunity to:

- (1) Convene an internal working group, post completion of the Analysis of Impediments, to review the AI and to identify and make policy recommendations to mitigate state public policies that function as impediments to fair housing choice, and
- (2) Convene a second working group, which would consist of state agency representatives, representatives from Action for Regional Equity and other community-based stakeholders to engage a broader effort to promote equity across state policies and programs.

DHCD will actively participate in these working groups and contribute policy recommendations, such as coordinating public investments with other state agencies in order to: incentivize municipalities to permit the creation of affordable housing, particularly affordable rental housing for families; address barriers to fair housing choice that reach beyond DHCD (e.g., affordable/public transportation options, education, etc.); and ensure that investments in lower "opportunity areas" will leverage effective neighborhood revitalization and improved access to opportunity for protected classes.

- Continue to improve language access

DHCD will continue to work towards full implementation of its Language Access Plan discussed above, including further translations of vital documents into additional languages, as well as to seek compliance from entities that receive DHCD funding. DHCD will also follow state executive orders and directives that impose language access obligations on all Massachusetts executive agencies.

Reduce Local Barriers to Housing Choice

- Revise housing development approval criteria to require diversity of bedroom sizes in family developments to ensure families with children are adequately served

DHCD continues to evaluate how it may improve housing opportunities for families, primarily families with children, that require larger sized (multiple bedroom) units. For example, DHCD's Draft 2013 QAP underscores DHCD's priority for the production of rental units suitable for families. At least 65% of the units in a proposed production project must have two or more bedrooms, and at least 10% of the units must have three bedrooms, with exceptions only applying if efficiency or one-bedroom units are appropriate for the intended residents.

Furthermore, in determining whether a housing development site under the state's affordable housing zoning law, M.G.L. c. 40B, DHCD and state subsidizing agencies will take into account information provided by a municipality as to whether it has met the purpose of Chapter 40B and meeting is regional housing needs. This would include municipal efforts to create zoning districts and/or requirements that provide the opportunity for affordable housing, including affordable housing that is available to families with children (i.e., for which at least 10% of such housing contains units with 3 or more bedrooms).

- Ensure approval criteria are consistent with state initiatives to increase multifamily housing and address local planning/zoning that may disparately impact fair housing protected classes

DHCD will work to ensure that approval criteria are consistent with proposed policies such as the above-referenced Land Use Partnership Act (LUPA), which does not credit/certify local planning for new housing units that is restrictive, through zoning or other means, as to number of bedrooms or age of residents.

Furthermore, DHCD is currently revising its Chapter 40B/Comprehensive Permit and Affirmative Fair Housing Marketing Plan and resident selection guidelines to further mitigate the potential disparate impact that local zoning policies or practices may have on families with children and other protected classes.

DHCD has also developed a new Compact Neighborhoods Program Policy¹³ to incentivize municipal cooperation and proactive planning for multifamily housing development. Under the program, municipalities that are certified by DHCD as creating Compact Neighborhoods will receive a preference for discretionary funding by state agency programs, such as the MassWorks infrastructure program. To participate in this program, a municipality must meet certain requirements such as identifying an "as-of-right" base or overlay zoning district ("Compact Neighborhood") with a minimum density and allowing for a minimum number of Future Zoned Units. DHCD expects municipalities, in drafting zoning ordinances, to promote the development of housing across a range of incomes and appropriate for diverse populations, including families with children, persons with disabilities, and the elderly.

- Public Housing Reform

Governor Patrick filed legislation in January of 2012 that would regionalize public housing by consolidating the 240 housing authorities across the state into six regional housing authorities. The proposed regionalization would consolidate functions such as administration, accounting,

¹³ See <http://www.mass.gov/hed/community/planning/compact-neighborhoods.html> .

procurement, and technical assistance. A key goal is to improve and streamline the operation of public housing, including with respect to resident services, wait-list operations, maintenance, and capital project management. It is anticipated that regionalization will have positive impacts in terms of the capacity to addressing regional housing needs and to more efficiently and effectively respond to applicant/tenant matters, including reasonable accommodations/modifications and language access.

Expand Accessibility

- Adopt policies for state-funded developments that address gaps in accessibility code standards or that otherwise enhance accessibility

DHCD participated in the Citizens' Housing and Planning Association ("CHAPA") Access Code Committee, which proposed legislation to modify the state code to the extent it requires less accessibility than federal standards identified in CHAPA's report.¹⁴ As such legislation has not passed, DHCD's policy response aims to address patterns of new development that, because of its size, tenure, or type, or lack of federal funding would otherwise result in limited accessibility. The following are three focus areas:

- 1) Townhouses: funding agencies will require developers to provide accessible designs (i.e., that provide 5% or at least 1 accessible unit, whichever is greater) in their proposals for state housing development awards, and/or require accessible units by conditioning the awards.
- 2) Small Projects: funding agencies will require developers to incorporate accessibility (i.e., 5% or at least 1 unit, whichever is greater) as a condition for, or of, state assistance.
- 3) For-Sale Units: funding agencies require ADA Title II regulatory guidance as a minimum standard of accessibility for homeownership developers seeking state funding.

DHCD will also continue to consider how it may further incorporate concepts of enhanced accessibility, including through Universal Design and Visitability, into funding evaluation criteria as it has done in its Community Based Housing Program and in its Qualified Allocation Plan (see Section XI and Appendix G), which is applicable to the majority of DHCD subsidized rental developments.

- Further integrate accessibility into capital planning systems and budgeting for the state-aided public housing portfolio

DHCD intends to propose, as a component(s) of the state bond financing bill, state funding to provide for the creation of additional accessible state-aided public housing units, including through renovations to vacant units, and reduction of state statutory and/or regulatory barriers to such creation. DHCD also intends to seek additional state funding from within the state's executive branch to provide to public housing operators so that they may be able to grant more requests for reasonable modifications to existing units. If adopted, the Governor's proposed regionalization of public housing would also improve capital planning for accessibility needs.

Increase Supportive Housing

DHCD along with 17 other state agencies has entered into a memorandum of understanding for persons with disabilities and other special needs populations to create 1,000 units of permanent,

¹⁴ *Evaluation and Comparison of State and Federal Accessibility Codes* (November 2009).

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supportive housing in collaboration with non-profit organizations in accordance with “An Act Relative to Community Housing and Services.” The various types of supportive housing that will be funded will help reduce the numerous barriers to accessing and retaining permanent housing that persons with disabilities and persons who are institutionalized or at-risk of institutionalization, or persons who are homeless, face. Additionally, the agencies will assess the results and recommend strategic reinvestments.

Measurable Objectives for 2010-2014:

The following is a listing of key DHCD objectives that continue to be responsive to the Consolidated Plan and are measurable in nature:

- The number of projects receiving state funding for development or substantial rehabilitation in “areas of opportunity”
- The number of “opportunity area” communities or communities undergoing significant revitalization or improvements to fair housing access that receive DHCD discretionary funding
- The number of households served through a tenant-based voucher mobility initiative
- The increase in representation of racial and ethnic minorities in communities with state assisted housing across the Commonwealth that are currently under-represented by minorities
- The number of municipalities that adopt Compact Communities or adopt inclusive zoning measures
- The number of multifamily rental units created
- The number of accessible units created for persons with disabilities in state assisted housing
- The number of projects incorporating enhanced accessibility, including features of Universal Design or Visitability in state assisted housing
- The number of supportive housing units created
- The number of translations of DHCD vital program documents

Key Fair Housing Impediments for Discussion in the AI Update:

- ❖ Racially/ethnically concentrated areas of poverty (“impacted areas”) have suffered from disinvestment and face challenges in providing housing choice that offers meaningful access to opportunity.
- ❖ Areas that generally offer high quality education, economic opportunity and excellent public health outcomes (“non-impacted areas”) are not accessible to many persons of color and with disabilities, thereby perpetuating residential segregation.
- ❖ Restrictive local zoning impairs achievement of fair housing objectives and benefits throughout Massachusetts, including insufficient by-right permitting for multifamily housing.
- ❖ Current state and federal fair housing laws have advanced fair rights in various respects but have not sufficiently prevented or remedied the fair housing effects of restrictive local zoning.
- ❖ NIMBYISM and local practices and preferences impede the development or perception of open and welcoming communities.
- ❖ There is not enough coordinated policy-making and/or investment amongst various state and federal agencies to leverage meaningful access to opportunity in communities across the Commonwealth.

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- ❖ There is inadequate development of affordable rental housing for families with children, particularly outside of urban areas.

There is inadequate funding of units with rental assistance or deep subsidies critical to serving extremely low-income households and persons with disabilities.

- ❖ Further awareness of state fair housing laws, particularly amongst small landlords and larger companies that operate nationally, and resources for fair housing testing are needed.
- ❖ Massachusetts immigrants, particularly those with limited English proficiency, sometimes face hostility and insufficient resources necessary for integration.
- ❖ The foreclosure crisis disparately impacted communities of color and currently impedes lending and mortgage availability for minority homebuyers.
- ❖ High cost of living (i.e., rent, transportation, child care, etc.), discrimination, and other barriers to mobility continue to limit housing choice despite housing choice voucher programs, particularly with respect to mobility toward high opportunity or non-impacted areas.
- ❖ Streamlined information and/or application processes would improve fair access to affordable housing; furthermore, more integrated information regarding opportunity/non-impacted areas and community attributes are needed to improve meaningful choice with respect to all types of housing.
- ❖ Accessibility is impeded by code inconsistencies and gaps in accessibility requirements, as well as insufficient financial resources for creating accessibility within older, historical, and/or smaller housing stock.
- ❖ Additional resources and strategies for supportive housing are needed to improve access to and retention in permanent, community-based housing.

It is DHCD's intention to continue to leverage all opportunities to increase awareness of, compliance with and furtherance of fair housing in the Commonwealth throughout the Consolidated Plan period. The Agency will continue to report on its accomplishments, goals, and action steps as part of the consolidated planning process, including through the annual Action Plan and update to the Analysis of Impediments to Fair Housing Choice. DHCD will maintain its relationship with the Fair Housing Advisory Panel to provide progress updates, receive feedback, and to discuss potential future initiatives. Additionally, DHCD's commitment to civil rights extends beyond housing. Under its community development programs, civil rights obligations such as providing reasonable accommodations for persons with disabilities, providing access to persons with limited English proficiency, and otherwise ensuring non-discrimination against protected classes of persons also apply. Furthermore, DHCD aims to promote open and diverse communities and thereby foster equal opportunity and enjoyment of civil rights in various aspects of life for residents across the Commonwealth.

Appendix D: Methodology

The FY 2013 Action Plan is substantially based on the objectives and strategies identified in the 2010 – 2014 Consolidated Plan (“five year plan”) submitted to the U.S. Department of Housing and Urban Development (HUD) in May 2010. Representatives from each of the four covered programs reviewed and updated the information from the five year plan to ensure that the FY 2013 Action Plan reflects any and all changes that have occurred during the past year. In addition, a variety of state agencies, quasi-governmental bodies and other organizations contributed to the completion of the FY 2013 Action Plan by reporting on the funding levels and program activities for both new and ongoing initiatives.

Appendix E: Action Plan Certifications

In the printed version of this document, Appendix E includes the following application and certifications, required by HUD:

- SF-424, Application for Federal Assistance
- General State Certification
- Specific CDBG Certification
- Specific HOME certification
- ESG Certification
- HOPWA Certification